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ABSTRACT

Intended for administrators, educators, and parents, the document presents information on the management and utilization of state special education aid. An introductory section reviews the history of state aid for special education and notes questions which are addressed in the document, such as the following: "How much state funding is available for special education in each of the states?", "What factors are considered in distribution formulas?", and "Do rich local education agencies obtain more special education aid than poor ones?" Chapter I covers dollar amounts available and what they buy, including past and present procedures and policies. (Data presented in tabular form following the text is listed by state.) The controversy about policies determining distribution of funds is reported in Chapter II. Chapter III provides details of patterns of distribution and allocation of state aid in two states--Georgia and Massachusetts, with tables of data following the text. Among issues noted to be of importance are aid distribution, basis for aid entitlements, and procedural requirements. (IM)

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STATE AID FOR SPECIAL EDUCATION: WHO BENEFITS?*

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Whatever errors are contained in this document after all this help can only be the fault of the authors.

William H. Wilken
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Introduction

Aid for special education is now the largest and most rapidly growing element of state categorical financial assistance to local schools. A generation ago, in contrast, aid for special education totaled less than $200 million, accounted for no more than 3 percent of all state aid to local schools, and was unknown throughout most of the South.[1] In 1972, aid for special education amounted to $900 million, accounted for about 5 percent of all state aid to local schools, and was provided by every state except New York.[2] But by 1975, aid for special education totaled over $2.1 billion, provided more than 8 percent of all state aid received by local schools, and was common to every state.[3]

The rapid growth of state aid for special education has been prompted by nothing less than a revolution in thinking about the rights of handicapped children to a public education. Handicapped children until very recently were excluded from public school on a widespread basis.[4] In 1963, only 9 percent of all school districts offered any instruction for handicapped children.[5] Conventional wisdom held that handicapped children would place an intolerable burden on the public schools and should be educated, if at all, only in institutions or private homes.

Efforts to obtain public school classes for handicapped children through court action began before the turn of the century but were rebuffed on a widespread basis until less than five years ago. Watson v. City of Cambridge[6] and State ex rel Beattie v. Board of Education[7] were typical of early court actions. In Watson, Massachusetts court declared in 1893 that a local school system could expel any student whose conduct was disorderly "either voluntarily or by reason of imbecility."[8] In Beattie, a Wisconsin judge ruled in 1919 that "the rights of a child of school age to attend the public schools of the state cannot be insisted upon, when its presence therein is harmful to the best interest of the school."[9] This could occur, it was added, whenever a child's handicap yielded "a depressing and nauseating effect on the teachers and school children."[10]

Attitudes toward the educational rights of handicapped children were inflexible even well into the 1960's. As recently as 1967, for example, the Wisconsin Attorney General upheld the essence of the Beattie decision, softening that nearly fifty-year old precedent only by declaring that handicapped children could not be excluded from public schools unless arrangements were made to provide education in some other setting.[11] In short, many handicapped children less than ten years ago had no more right to a public education than black children had in 1893. At best, they were "separate but equal."

The rights of handicapped children to a free public education have changed substantially only over the last four years. First in 1972 by consent agreement in P.A.R.C. v. Pennsylvania,[12] and later by judicial mandate in Mills v. D.C. Board of Education[13] and other cases,[14] both state and federal courts have decided that all handicapped children have a constitutional right to a publicly supported education program as well as various procedural safeguards to insure equitable implementation of that right. In the words of the Mills trial judge:

> If sufficient funds are not available to finance all of the services and programs that are needed and desirable in the system, then the available funds must be expended equitably in such a manner that no child is entirely excluded from a publicly supported education. . . The inadequacies of the . . . Public School System whether occasioned by insufficient funding or administrative inefficiency, certainly cannot be permitted to bear more heavily on the "exceptional" or handicapped child than on the normal child.[15]

The growth of state aid for special education in the wake of Mills, P.A.R.C. and their progeny has generated more controversy per dollar than any recent revision in school finance. Part of the debate is linked to forces which are affecting public support for educational spending of any sort. State budget surpluses that funded many of the revisions in school finance during the early 1970's are now exhausted and in many urban states have been supplanted by record deficits. Teacher militancy over bread and butter issues is up, pupil test scores and enrollments are down. And more families are either childless or beyond child-bearing years.

Another part of the debate over State special education aid is provoked by sharp differences of opinion over basic social, educational, and political values. Despite court mandates, some people continue to insist that it is a waste of money to increase spending for handicapped children. Some people think that the requirements of new state aid programs -- mainstreaming, individualized instruction, extensive planning -- are counterproductive to the welfare of handicapped children. And some people think that the requirements of new state aid programs represent nothing more than another step toward total erosion of local control over education. And so on.

But an important element fueling this debate is caused by a lack of information. Until very recently, states have maintained only the barest data on special education aid. Research on the management and utilization of state special education aid has been scanty, almost exclusively limited to studies of state aggregate statistics. How local school officials, parents, and schoolchildren feel about state aid for special education or its consequences has never been established in any systematic manner.

This study represents the first broad-guage effort to fill the information gap on state special education aid. Specifically, it addresses the following questions:

(1) How much state funding is available for special education in each of the states?

(2) How much funding for special education is supplied through state education agencies and outside state education agencies?

(3) What factors are given consideration in state special education aid distribution formulas?

(4) How do state aid programs for special education mesh with state aid programs for other local school purposes?

(5) What is the relationship between state aid for special education and federal aid?

(6) Do state aid for special education programs favor some local education agencies more than others?

(7) Do rich local education agencies obtain more special education aid than poor ones?

(8) To what degree is there a relationship between the distribution of state aid for special education and special education needs?

(9) And, what policies are necessary to insure greater conformance between the operation of special education aid programs and the goal of equal educational opportunity?

FOOTNOTES

1. Albert R. Munse and Eugene P. McLoone, *Public School Finance Programs of the United States, 1957-58* (Washington, D.C.: U.S. Department of Health, Education and Welfare, Office of Education, 1960).

2. U.S. Department of Health, Education and Welfare, *Public School Finance Programs, 1971-72* (Washington,D.C.: U.S. Government Printing Office, 1972).

3. Data based on reports filed by states with the U.S. Bureau for the Education of the Handicapped under the planning requirements of Public Law 93-380.

4. Discussions of the historic exclusion of handicapped children from school are abundant. See, for example, Alan Abeson and others, *State Law and Education of Handicapped Children: Issues and Recommendations* (Council for Exceptional Children, October, 1971).

5. *Ibid.*, p. 14

6. Cited in Robert K. Crabtree, "The Politics of the Special Education Law in Massachusetts, *The Massachusetts Teachers* (May/June, 1973), p. 17

7. *Ibid*.

8. *Ibid*.

9. *Ibid*.

10. *Ibid*.

11. *Ibid*.

12. *P.A.R.C. v. Pennsylvania*, 343 F.Supp. 279 (E.D.Pa.,1972).

13. *Mills v. Board of Education of District of Columbia*, 348 F.Supp. 866 (D.D.C. 1972).

14. For a discussion of these cases, see David L. Kirp and Mark G. Yudof, *Educational Policy and the Law: Cases and Materials* (Berkeley, California: McCutchan Publishers, 1974).

15. 348 F.Supp. at 876.

Chapter I

STATE AID FOR SPECIAL EDUCATION: DOLLARS AND WHAT THEY BUY

Introduction

A generation ago state aid for special education programs in public schools was very limited and in some states non-existent. By the outset of this decade, it had grown to be the largest single functional category of state aid to schools, save perhaps aid for capital outlay. Data for fiscal 1972 indicate that state aid for special education was at least 50 percent greater than aid for pupil transportation, was over 100 percent greater than aid for vocational education, and was at least 300 percent greater than state funding for compensatory education.[1] But as P.A.R.C., Mills, and their progeny have made clear, state aid for special education in the early 1970's was far short of meeting the unserved needs of handicapped children.

The effect of court decisions on state aid for special education has been dramatic. It has spurted from $910 million in 1972 to $2.5 billion in 1976. Throughout American educational history, no other category of state aid has grown at such a high rate. The expansion of state aid for special education over the last four years has only one fiscal parallel, the explosion of federal aid to education from about $834 million just before the adoption of the Elementary and Secondary Education Act in 1965 to about $2.6 billion in 1969--a period widely regarded as the golden era of federal aid.[2]

This chapter examines the growth of state aid for special education between 1972 and 1976. Drawing on data provided by the U.S. Bureau for the Education of the Handicapped (B.E.H.), as well as on information supplied directly by many states, this chapter reaches several major conclusions.

> On the basis of preliminary data, it appears that state and local governments will spend over $4.7 billion on the excess cost of educating school age handicapped children during fiscal 1976. This outlay amounts to approximately $1,200 per handicapped child served and, at least theoretically, is in addition to costs of regular education programs. Unfortunately, existing recordkeeping procedures make it impossible to reach any definitive conclusions about the degree to which handicapped children benefit from expenditures for regular education programs, and conversely, the extent to which outlays for special education programs convey benefits to non-handicapped children. The question of benefit spillovers between programs for handicapped and non-handicapped children will become an increasingly important policy question, however, because of the growing stress upon placing handicapped children in regular classes, a practice which makes the lines between special education and other school services much less clearcut than a few years ago when almost all handicapped children were in self-contained classes.

State governments currently provide a majority of the funds used to operate special education programs for school aged children. Although data for all states are not yet available for fiscal 1976, it appears that the state share of special education costs is about 55 percent of the total. Local revenues comprise about 31 percent, and federal dollars amount to about 14 percent. This division of fiscal responsibility, however, varies widely from state-to-state. In some states, the combined state-local share of special education costs exceeds 90 percent, while in others it is as low as 56 percent. Generally speaking, the importance of federal funds depends on the absolute level of special education service provided. With a few notable exceptions, the greater the level of service, the less the importance of federal funds.

Most state support for special education programs is provided in the form of aid to local education agencies. Between 1972 and 1975, state aid for special education grew at about two and one-half times the rate of state school aid overall. The expansion of special education aid, however, has varied substantially from state-to-state. This variation has depended to a great degree on two factors: the strength of the total state-local educational revenue system and the impact of state efforts to implement new programs of general school finance reform. States which have had a history of being unable to support educational revenue growth almost invariably have demonstrated the least ability to increase funding for special education. Much in the same vein, states which have taken a lead in recent efforts to implement the Serrano equalization principle have tended to exhibit a slower rate of growth in special education aid than has occurred nationally. About half of these reform states, however, were early leaders in developing special education programs; thus, care must be taken to distinguish between recent growth in special education aid and the overall level of funding that has been attained. Moreover, it is important to recognize that state efforts to equalize educational opportunity in general may not be antithetical to the interests of special education. Existing data suggest quite strongly that the share of available resources available to special education is linked very closely to the overall level of educational funding. Moreover, as handicapped children are placed in regular classes with greater frequency, the quality of their education will be affected not just by special class resources as was often true in the past, but by the resources available to children as a whole.

Federal, state and local resources provided for special education flow through a highly complex administrative and programmatic network which varies substantially from state-to-state. In some states, almost all special education and related services are operated through state and local education agencies. In other states, though, health, welfare and other social service agencies may account for as much as 59 percent of all program spending.

One contributor to the complexity of special education program operation is the presence of a highly fractionated set of federal programs for handicapped children. As the U.S. General Accounting Office pointed out in a recent study, federal programs for handicapped children are so numerous and operated through so many different agencies that most programs operate as if the others did not exist. Accordingly, there have been many proposals for greater program coordination as well as calls for outright program consolidation. Changing the existing system, however, involves not only obvious political problems but major conceptual difficulties as well.

The growth of state aid for special education over the last few years has contributed to a substantial increase in pupil participation in public school special education programs. In 1972, the participation rate was estimated at 5.9 percent. In 1975, it was about 8.3 percent and should reach about 9.0 percent during fiscal 1976. Participation rates, however, continue to vary across state lines as much as a few years ago, some states providing special education to only about 5 percent of their public school pupils, while other states exceed 14 percent. Part of this variation, though, may be more apparent than real owing to differences in the way states count special education pupils.

Interestingly, each dollar added to state support for special education seems to have had a very different impact on the number of children added to special education programs from one region to another. Generally, each one percent increase in state special education aid has resulted in a much greater percentage growth in pupil participation rates in the Southeast than in the Midwest, with the North and West falling between these extremes. This could reflect a number of factors. The differential response could be nothing more than an artifact of recordkeeping, but this is improbable. More likely, it could reflect three variables. One may be the fact that the Midwest was the early leader in special education services while the South was a laggard. Thus, it could be that the Midwest is now going through a phase of improving program quality while the South is still attempting to maximize program coverage. A second factor which may enter into the outcome is the fact that midwestern states have imposed tax and expenditure controls on local school districts to a greater extend than in other regions. Accordingly, localities in the Midwest may find it difficult to match state aid dollars as effectively as school districts in other regions. And a third factor underlying the differential response may be compensatory education programs. Significantly, states in the Midwest, and to a lesser extend the North and West have done fare more to develop state-funded compensatory education programs than almost every state in the South. Therefore, it is possible that children who are being placed in special education in the South may be placed in compensatory education elsewhere. The relationship between special education and compensatory education on a day-to-day basis is, however, one of the great mysteries of American educational policy.

As special education has been provided to more pupils, services have tended to become more diversified. Nationally, and especially in the West, there has been a marked decrease in the percentage of special education pupils served in classes for the retarded and a corresponding increase in the percentage served in classes for specific learning disabilities. The Southeast, in contrast, continues to emphasize placements in classes for the retarded at well above the national average rate.

Special education costs continue to be as difficult to ascertain at present as in the past. Somewhat surprisingly, costs seem to exhibit the least interstate variation in programs for chilfren with learning disabilities and mild-to-moderate mental retardation. Controlling for price differentials, costs in most other disability categories show so much variation that it is hard to interpret their meaning. The differentials, in part, may stem from nothing more than variations in service category definitions, but they may result as well from poor accounting or true differences in resource utilization and student needs.

Importantly, generalizations about the conditions of special education finance and service remain difficult to formulate in large measure owing to the caliber of available data. While governments at all levels have made major progress in developing special education data, the plain fact is that major problems remain. Data gathered by different agencies using different information gathering techniques yield highly conflicting findings on such basic matters as the number of children being served. Statistics on special education expenditure and revenue totals within individual states not infrequently are far out of balance. Program cost figures are so variable as to raise serious questions about even their grossest accuracy.

Providing better data on special education finance and service will not be an easy task. Consider some of the obstacles. In many states, there are no uniform school accounting systems. School districts operate in some cases on totally different fiscal years; some school districts use cash accounting; others use accrual methods. Some school districts act as fiscal agents for other jurisdictions and must be identified to avoid major data distortions. School finance terminology means different things in different states and is not so standardized as some might expect. In one state, for example, "foundation support" may imply state funds only, while in others it may mean state and local funds combined. In some states, funds may be used almost entirely for special education but are not earmarked in a way that yields to ready identification. But perhaps most basic of all, the term "special education" has no truly common substantive meaning across state and local boundaries. What is called special education in one state or locality, in other places is considered nothing more than an integral part of a basic school program.

Better information about special education finance and services is particularly critical now as governments at all levels move to close the remaining gaps in services for handicapped children. State education agencies currently report that between 35 and 40 percent of all school age children are not receiving special education and that the cost of providing service to all will amount to about double existing funding levels. In some states, there can be little doubt that more resources are badly needed. But in other states, participation rates in special education programs are beginning to reach a point where legislators, school boards, governors and other educational policy makers are becoming increasingly skeptical about the need for additional revenues for special education. Part of this skepticism, no doubt, is related to the fact that the $4 and $5 billion in additional funding required nationally is a very substantial amount--perhaps three times the sum which is likely to exist in annual state government budget surpluses between now and 1980. But much of the skepticism reaches far deeper. Policymakers, for example, wonder why estimates of outstanding service needs sometimes continue to grow inspite of increased spending. Some wonder why no one can provide them with relatively firm data on the number of handicapped children needing service. Some ask why one program should cost more than others. And some wonder whether increased funding for special education is a ploy to obtain raises in teacher salaries. Whether one agrees that these doubts are justified or not, simple political prudence dictates that they must be answered as authoritatively as possible. But without better data on finance and services, the task will be beyond reach.

Aid, Needs and Services in the Pre-Mills Era

State aid earmarked for public school special education programs in 1972 ranged from a high of $2,183 per pupil served in Alaska to a low of only $14 per pupil served in Mississippi, averaging about $321 per handicapped pupil served nationwide. As Table I-1 shows, aid levels tended to be highest in the Far West and lowest in the South, with the East and the Midwest exhibiting the greatest variation. Viewed from a different perspective, state aid for special education in 1972 amounted to 4.7 percent of all state assistance for elementary and secondary education. Only two states, Rhode Island and California, paid out more than 10 percent of their school aid for special education. And twelve states -- Arizona, Arkansas, Indiana, Iowa, Louisiana, Maine, Mississippi, New York, North Dakota, Oklahoma, South Dakota, and West Virginia all earmarked less than 2 percent of their school aid for special education.

Significantly, Table I-1 suggests that the commitment of states to special education funding during the early 1970's was strongly related to their overall commitment to education. Most states with very limited special education aid programs also had the least aid for education in general. Of the 10 states with the lowest per pupil aid for special education, only New York provided more state aid overall than the national average. Of the next 10 lowest ranking states, only New Mexico provided more state aid overall than the national average. Conversely, of the 10 states with the greatest per pupil amounts of special education aid, all but two -- California and Rhode Island -- had total state aid payments greater than the national average.

Owing to differences in state revenue-raising assignment systems, an impartial assessment of the state commitment to special education funding must take into account not only revenues provided through state aid, but also revenues raised locally. Most states, however, do not have separate local tax levies for special education. Local funds for special education are derived in most school districts simply through the process of allocating revenues from the general fund. Moreover, when funds are spent for special education (or almost any other programmatic purpose), local education agencies often do not account for them except by function and object. Thus, it should not be surprising that existing data on combined state-local revenues or expenditures for special education tend to be rather shaky. As the U.S. Bureau for the Education for the Handicapped noted on one of its special education expenditure worksheets for 1972,

> These figures are incomplete for some states and the types of costs included vary from state to state. Therefore , they should not be taken as hard facts, rather they should be taken as estimates of excess costs.[3]

The excess cost to state and local government of educating handicapped children in public schools during fiscal 1972 appears to have averaged $509 per handicapped pupil served or about $30 for each school-attending child. During the same year, the national average current expenditure for handicapped pupils to the dollar outlay for special education during fiscal 1972 amounted to between $1,300 and $1,400 per handicapped pupil served, a level roughly 60 percent over the average expenditure for all pupils. It must be stressed, however, that this can be regarded as only a very approximate estimate. It is not clear what federal funds are involved and, much more important, it is very uncertain to what extent handicapped children benefitted from regular class expenditures.

As Table I-2 shows, excess cost expenditures for special education programs in public schools during fiscal 1972 ranged from a high of $96 per schoolchild in Rhode Island to a low of $2 per schoolchild in Mississippi also the highest and lowest ranking states respectively in their per pupil amounts of special education aid. A substantial number of states, however, have a very different fiscal commitment to special education when guaged on the basis of state-local expenditures than on the standard of state aid. In general, using excess cost expenditures as the measure of commitment improves the relative standing of several midwestern states while diminishing the status of several southern states.

The states that spend the least for special education during fiscal 1972 were highly agricultural, located predominantly in the South or on the Great Plains, and had nonwhite populations that on a relative basis were either very large or extraordinarily small. The highest spending states, in contrast, were much less susceptible to demographic, socioeconomic, or regional characterization. As Table I-2 shows, the high excess cost states ranged from highly urban states like Rhode Island and New Jersey to sparsely populated, mountain states like Montana and Utah. They included states in every region except the South. They included states with nonwhite populations ranging from a relatively large share to a relatively small share of the total.

Contrary to the assertions of many child-advocacy groups, the extremes of state-local special education outlays in 1972 showed little relationship to the amount of state financial assistance provided to local schools. To be sure, as Table I-3 shows, some states with high special education costs did assume a large share of the burden through relatively generous state aid programs. But several did not. Connecticut, Minnesota, New Jersey, Washington and Wisconsin all ranked in the top ten-spending states, but not one assumed share of the costs even equal to the national average -- Connecticut providing little more than one-third of the costs. This, however, does not mean that high state assumption of special education costs is categorically unnecessary. Some school districts might never be able to provide adequate services for handicapped children without substantial state assistance. But the weight of evidence from 1972 does suggest that the school districts of some states may be sufficiently responsive to the needs of handicapped children that state aid policies can be much more focused on specific needs rather than designed to provide support across-the-board.

Both the highest and lowest-spending states, though, shared one thing in common: they were the antipodes of political liberalism. Of the 10 highest excess cost states, exactly half were among the 10 states rated as most progressive in Zeigler and Johnson's authoritative study on state education politics.[4] And of the 15 lowest-cost states, 9 rated among the 15 least progressive. Indeed, and as Table I-4 indicates, only one state, Oregon, exhibited a pronounced inconsistency between its degree of liberalism and its level of expenditure for special education -- spending much less than might have been expected on the basis of its strong record as a political innovator.

While special education aid and expenditures were substantially greater in fiscal 1972 than they had been a decade earlier, it is evident that available resources were far short of meeting the needs of many handicapped children. As Table I-5 suggests, there is widespread disagreement among experts about the prevalence of handicapping conditions among the nation's school children. Some state studies suggest that no more than about 7 to 8 percent of school-age children can be classified as handicapped. Other studies indicate that the proportion may be closer to 25 percent. By almost any estimate, however, it is very evident that most states in 1972 reported that they were serving no more than 40 to 60 percent of their handicapped children in public school special education programs.

The U.S. Bureau for the Education of the Handicapped in 1972 estimated that approximately 10 percent of all school-age children were handicapped--its current benchmark being two percentage points higher. But as Table I-6 shows, only eight states -- Idaho, Illinois, Michigan, Minnesota, Nebraska, Ohio, Utah and Washington were reporting that they were serving 7 percent or more of their public school pupils in special education programs--the service rates of Idaho and Nebraska being very suspect owing to their exceptionally low aid and expenditure levels. Conversely, nine states -- Alabama, Alaska, Arizona, Arkansas, Maine Mississippi, Montana, New Mexico, and South Dakota reported that they were serving no more than 3 percent of their pupils in local classes for the handicapped.

During the early 1970's, the great majority of children served in special classes were either "retarded" or had handicapping conditions that were quite clearcut. As Table I-7 shows, school districts were serving about 80 percent or more of all children who were "deaf," "speech impaired," "mentally retarded," or "orthopedically impaired" if it is assumed that the reported data are approximately correct and if it is assumed that these handicapping conditions are prevalent at the rates indicated in 1972 by the U.S. Bureau for the Education of the Handicapped (B.E.H.). School districts, however, were serving much smaller proportions of children whose handicapping conditions often are not readily apparent, whose handicapping conditions can be very expensive to treat, or whose handicapping conditions are sometimes regarded as too marginal to merit special attention. Nationwide, less than one-fifth of children with emotional handicaps or partial hearing deficits were receiving special education. And no more than about one-third of children with multiple handicaps or specific learning disabilities were offered special education, the proportion of learning disabled served being even lower if one accepts the argument of some child advocates that B.E.H. grossly underestimated the size of the pupil population with specific learning disabilities.

Aid, Needs and Services in the Post-Mills Era

Between 1972 and 1976, state support for special education programs in the public schools has changed to a degree few would have believed possible before the advent of the *Mills* and *P.A.R.C.* decisions. Nationwide, state aid for special education has increased nearly threefold, state and local expenditures for handicapped children in the public schools have gone up twofold, and the number of children served in local education agency special education programs has grown from about 6 percent of total elementary and secondary enrollment to between 8 and 9 percent.

The Growth of State Aid for Special Education. Between 1972 and 1975, state aid for special education programs run by local education agencies increased from about $322 per handicapped pupil served to between $550 and $600 per handicapped pupil served, the 1975 figure based on preliminary data. As Tables I-8, I-9, and I-10 indicate, however, the rate and dollar amount of growth varies greatly among states. Some states like Oregon and South Dakota experienced very little growth. Other states like Wyoming and Massachusetts showed stunning increases. One result of this movement was that the per pupil aid difference between the very highest and very lowest aid states in fiscal 1975 was nearly 80 percent greater than in fiscal 1972. The general trend, though, was a marked reduction in the overall variation in per pupil aid levels across state lines. In fiscal 1972, the standard deviation of special education aid per public school pupil was $16 while the unweighted average was $19, meaning that very few states provided special education aid at a level that was relatively close to $19. But in fiscal 1975, the standard deviation was only about $26 while the unweighted mean was $42, a decrease in the overall variability of state special education aid of about 26 percent from the 1972 level.

State support for local special education programs has grown not only on a per pupil dollar basis but also as a share of all state public school aid. In fiscal 1972, state aid for special education amounted to about 4.6 percent of all public school aid; but by 1975, it had increased to 7.5 percent of the total, a rate of growth of about 63 percent over the three year period. And during the current fiscal year, 1976, it may approach 9 percent of the total.

In many states, special education aid is clearly the major growth element in public school assistance. As Table I-11 reveals, however, this is not the case universally. At one extreme, about 25 percent of the states have been making a concerted effort to increase support not only for special education, but also for most other programs. These states, almost universally, are going through the throes of increasing per student aid from a level well below the national average and include, on one hand, states like Alabama and Arkansas where only a very small share of public school revenues are raised at the local level, and on the other hand, states like Massachusetts and Colorado which traditionally have raised a very substantial share of their educational dollars from local taxes.

At the other extreme, another group of states representating about 20 percent of the total has been experiencing a relatively low rate of growth both in state school aid overall and in the percentage that special education aid comprises of all state school dollars. Prominent within this group are the national polarities in state responsibility for school finance. Delaware and Hawaii for years have assumed an extraordinary degree of responsibility for funding all public school services at a fairly substantial expenditure level. In contrast, Missouri, Nebraska, New Hampshire, South Dakota, and Vermont have been regarded for some time as having among the worst school finance systems in the country. Efforts to improve school funding for almost any purpose in all five states are stifled time-after-time by fundamental imbalances or weaknesses in their educational revenue systems or, relatedly, by intense local identification and opposition to a strong state role in funding almost any aspect of public school services.

While some states have neither added very much to state aid overall nor increased the share of state aid earmarked for special education, other states have exhibited mixed patterns. One group of eighteen states has increased the level of state school aid overall, but without adding to the share devoted to special education. The stability of special education aid as a share of the total of these states, however, should not be interpreted as evidence that these states have done little for special education. To the contrary. About half of these states -- Illinois, Maryland, Michigan, Minnesota, Ohio, Pennsylvania, and Rhode Island provided a relatively high degree of support for special education programs before the recent upsurge of special education aid in many other states. But much more important, a majority of the states in this category rank among the national leaders in the effort to eliminate wealth-based expenditure disparities among their local school districts. Put another way, states like Illinois, Michigan, Minnesota, Ohio, Kansas, North Dakota, and California have been taking steps to equalize the capacity of school districts to provide appropriate educational servcies for all children, handicapped or not.

While some states have increased both general aid and special education aid without making major changes in the magnitude of one relative to the other, a somewhat smaller group of states has followed an essentially opposite track allowing state aid as a whole to grow at a relatively low rate while providing for very substantial increases in support for special education. Although Georgia, Mississippi, and Virginia fall into this group only by the barest measure it is readily apparent from Table I-11 that the other members, especially Connecticut, Nevada and Texas, have been directing their aid at the margin strongly in the direction of special education. These states, however, have very different traditions of special education support. New York and Louisiana historically exhibited very little interest in maintaining separate aid programs for special education, directing most of their dollars to relatively well-funding general aid programs. Connecticut, Texas, and more recently Nevada, in contrast, have found it very difficult to obtain support for general education aid programs, and have concentrated their resources to a great degree in small but well-funded categorical programs, especially special education. But this may begin to change materially over the near future in Connecticut and Texas. Significantly, both states have finally adopted school finance laws which, for the first time, will permit systematic elimination of some of the worst interlocal school finance disparities in the nation -- Connecticut because of court action which finally resolved may require even stronger reforms and Texas owing to the presence of an unprecidented $1.5 billion budget surplus and growing militancy on the part of the teachers and minority groups for more general aid dollars.

State Aid and Other Resources. State aid for special education currently provides at least the same share of state-local special education revenues as during fiscal 1972, and perhaps up to 20 percent more, the exact amount being uncertain because of data reporting problems. As Table I-12 indicates, however, states differ substantially in the revenue sources which they use to fund special education programs. At least eight states -- Georgia, Kansas, Kentucky, Louisiana, Montana, New Mexico, Pennsylvania, and South Carolina provide from their own sources at least 70 percent of all revenues earmarked for state and/or locally operated special education programs. At the other extreme, another nine states -- Illinois, Iowa, Maine, New Hampshire, Oklahoma, South Dakota, Wisconsin, and Wyoming -- raise no more than 40 percent of all special education dollars from state sources. Iowa, however, plans to increase its share drastically during the 1976 fiscal year.

Virtually all of the states that take a small role in raising special education dollars support a large part of their services for handicapped children out of federal funds. Data available for 36 states show that Oklahoma led the nation in using federal funds for special education programs, obtaining 44 percent of its dollars from Washington. About half of all states, however, raised no more than 15 percent of their fiscal 1975 special education dollars from federal sources -- Arizona, Tennessee Wisconsin and Wyoming obtaining less than 5 percent or less from federal sources.

During fiscal 1975, federal funds ranged from over $500 per handicapped pupil served in Massachusetts to less than $50 per handicapped pupil served in states like Indiana or Tennessee. This variation, however, was less the result of overall differences in federal aid entitlements than the outcome of widely varying patterns in the utilization of federal dollars for special education programs. As Table I-13 suggests, states which raise a relatively small share of their special education funds from federal sources tend to obtain those dollars more from the E.S.E.A. Title VI-B program than from any other single federal program. In contrast, states which obtain a fairly high proportion of their special education funds from federal sources make great but highly varied use of dollars in such programs as Vocational Rehabilitation, E.S.E.A. Title I, Vocational Education, or P.L. 89-313. Oklahoma, for example, used federal Vocational Rehabilitation program funds to provide over $170 for every child served in its state and local special education programs during fiscal 1975. And even more striking, Illinois reports that it spent more than $380 on every handicapped child served out of funds derived from the E.S.E.A. Title I program.

Most recent research suggests that there is very little coordination among special education and related programs operated with federal funds. The U.S. General Accounting Office deplores this lack of coordination in a recent analysis of federal programs for the education and training of the handicapped:

> The establishment of a number of separate Federal programs for helping to educate the handicapped intensifie(s) the need for coordinated planning among the Federal agencies. However, there has been little systematic effort on the part of agencies to coordinate planning to help insure comprehensive provision of services. Programs for special education remain fragmented and scattered across various administrative units, each operating without knowledge of what the others are doing...where they are putting their resources and to what extent specific needs are being met. Similar situations are evident at State and local levels:
>
> --Federal education programs were administered by several organizational units in each State we visited but were not effectively coordinated.
>
> --Responsible State organizational units did not adequately coordinate and integrate programs to provide a continuum of services.
>
> --Federal funds available for administration and planning were not always used for these purposes.[5]

The problem of coordinating special education revenues from federal as well as other sources is emphasized by the problems that many states have had in complying with new federal regulations. These will require state education agencies to provide a comprehensive description of all special education services being provided not only under their control but also under the aegis of other state and local government agencies. Reports from several states indicated repeatedly that the state education agency could not obtain data on the services offered through mental health units, social service departments, and other state and local agencies which commonly serve handicapped children. This was particularly true in the case of large urban states -- states which tend to have exceptionally complex administrative structures at both the state and local level.

Although limitations of available data obscure the picture somewhat, it is fairly evident that coordinating special education revenues across functional agencies in many states will require a major political effort. As Table I-14 shows, about half of all states report that at least 10 percent of all special education funds are outside the immediate control of state and local education agencies. Probably closer to reality, a substantial number of these same states report that non-education agencies control at least 20 percent of all special education revenues. Several of these states -- Oklahoma, Maine, Idaho, Massachusetts, and South Carolina -- are among the heavier users of federal special education dollars.

Special Education Resources Overall. During fiscal 1975, federal, state, and local revenues allocated to special education amounted to approximately $1,100 per handicapped child served, a level about three times as great as in fiscal 1972. It must be emphasized, however, that both past and present statistics on special education revenues and expenditures must be viewed with a considerable degree of caution. Fractionalized programming, highly decentralized service delivery systems, conceptual problems of delineating special education from other school services, definitional differences, and generally poor accounting and auditing systems individually and collectively can produce substantial distortions in even the most basic special education finance statistics. Data reported to state agencies on specific revenue and expenditure items all too often vary widely from one form to the next. Similarly, data supplied to the U.S. Bureau for the Education of the Handicapped as part of state Title VI-B plan amendments in a few cases reveal total expenditures for special education which are not remotely in balance with reported total revenues.

These caveats aside, it is apparent that the dollars allocated to special education from all sources at the present range widely from state-to-state. During fiscal 1975, total special education revenues allocated to children age 6 to 21 ranged from a low of $537 per handicapped pupil served in South Carolina to a high of $2,982 per handicapped pupil served in New York. States reporting the largest special education revenues per handicapped pupil served almost invariably are located in the Northeast and Midwest. And as Table I-15 shows, states indicating the lowest revenues per handicapped pupil served are located predominantly in the Southeast and on the Great Plains. Regional funding differences at present, however, seem somewhat less pronounced than a few years ago. In fiscal 1972, for example, the coefficient of variation in special education expenditures per public school pupil was about 65 percent. But preliminary data suggest that it has fallen to about 45 percent at present. Put another way, it would appear that special education expenditures per public school pupil are approximately 25 percent less variable across state lines during 1975 and 1976 than they were in 1971 and 1972. It is clear, however, that special education resources are still much more variable across state lines than public school resources overall. During fiscal 1975, for example, the coefficient of variation in current expenditures per public school pupil was only about 22 percent, a figure slightly less than half that for special education outlays.

For the most part, the states with the lowest levels of support for special education are also the states with the lowest levels of funding for education overall. Yet as the data in Table I-15 suggest, the relationship between level of special education funding and level of funding for education in general is not proportional. With a few exceptions, the share of public school dollars available for the education of handicapped children tends to be lower in states with low overall expenditure levels than it is in states with relatively high expenditure levels. In other words, it would appear that the growth of funding for special education may be subject to a "threshold effect" where, perhaps, the general scarcity of resources tends to make it extraordinarily difficult for minority interests like handicapped children to obtain a "fair share" of the total public school budget. Indeed, this idea seems entirely consistent with our previous finding that states with low expenditure levels in fiscal 1972 were unlikely to increase the share of state funds going to special education support unless they also provided for a relatively high rate of growth in state school aid overall.

What the Additional Dollars Buy. As state aid and other special education revenues have increased over the last three or four years there has been a substantial broadening in public school services for handicapped children. From fiscal 1972 to fiscal 1975, the percentage of public school children in special education classes went from an unweighted mean of 5.3 percent to an unweighted mean of 8.4 percent, an increase of about 57 percent. The rate of growth in the weighted mean service rate, however, was somewhat smaller, about 32 percent, indicating as Table I-16 suggests that special education services are being expanded at a generally greater rate in small states than in large states.

Overall, the slowest expansion in special education service rates has occurred in the Midwest. Second only to the West in the percentage of its pupils receiving special education in 1972, the Midwest currently lags behind all other sections of the country. Perhaps significantly, though, the states of the Midwest also exhibit the least variation in their service rates.

The greatest increase in special education participation occurred in the South. As pointed out previously, the South ranked lowest among the four major regions during 1972 in the percentage of public school children receiving special education. Now it is in a virtual tie with the

West for having the highest participation rate. This achievement may be a dubious distinction, however, since there is a mounting body of evidence which suggests that special education programs in the South are often nothing more than a new way of segregating black school children.[6]

As Table I-17 indicates, special education participation rates in the North and West have exhibited almost as much growth as in the South. Indeed, the true growth in the special education participation rates in these two regions probably comes close to matching the South after adjustments are made for over-reporting of the special education participation rates extant in New York, Idaho, and Washington during fiscal 1972. The expansion of services in these two regions, however, was much less evenly distributed than in either the South or Midwest, some states like Colorado, Montana, Delaware and Maine adding services at a relatively great rate but others like California, Oregon, New Hampshire and New Jersey at a relatively low rate.

Quite interestingly, the growth of pupil participation in special education programs exhibits very little relationship to increases in state special education aid. Between 1972 and 1975, every one percent increase in state special education aid per public school pupil in the South generated an average .75 percent increase in the proportion of public school children receiving special education. But as Table I-18 demonstrates, however, an equal increase in state special education aid in the Midwest yielded only an average .21 percent increase in special education participation -- the North and the West falling between these two extremes with average figures of .38 percent and .54 percent respectively.

The highly variable impact of increases in state aid on special education participation rates across the regions could stem from several factors, but which is the most important is uncertain. The highly disparate response of the South and the Midwest may stem from the fact that the South was expanding its services from a very low base and the Midwest from a relatively high base. This, however, does not seem consistent with the fact that the 1972 service base of the South was only slightly less than that of the North, and that the South and the North responded to additional state aid inputs in substantially different fashions.

The highly uneven impact of state aid increments might also result from the possibility that the cost of serving handicapped children rises sharply at the margin owing to the kind of needs common to those who were not the first to receive service. Or it may simply reflect the possibility that some regions have a higher prevalence of children with handicapping conditions than others. Or it could manifest differences in service strategies -- some regions opting to provide a relatively small number of handicapped children high quality services, others selecting to supply a relatively large number of handicapped children relatively limited services. But this by no means exhausts all plausible explanations. It is worth noting, for example, that the region with the least increase in special education participation -- the Midwest, is the region which has perhaps the strongest state limitations on local education agency budget growth -- a fact which is particularly important when it is recalled that the states of the Midwest characteristically raise a relatively large share of their total revenues from local sources, mainly the property tax. And in the same vein, it also is interesting to note that the relatively limited responsiveness of both the Midwest and the North may result from the fact that these regions tend to offer much stronger support for compensatory education than either of the others. Compensatory education, of course, is theoretically distinct from special education. But in fact, the two are often separated only by geography -- special education serving handicapped children in suburbs and rural areas, compensatory education serving handicapped children in big cities. The true importance of these alternative explanations, however, will not emerge without substantial and complex research which goes beyond the scope of this document.

Owing to the shift in regional special education participation rate patterns between 1972 and 1975, it is now beginning to appear that there is a much closer relationship today than in 1972 between the availability of public school services for handicapped children and the share of special education costs supported by state government. As Table I-19 suggests, states which supported the highest share of special education's excess costs in 1975 were generally those having the highest overall special education participation rates. The meaning of this relationship as well as other previously cited findings, however, is beclouded to a certain degree by the fact that special education participation rates tend to vary widely depending on the data source used.

Data compiled from a U.S. Office for Civil Rights (O.C.R.) survey conducted during 1973, for example, reveal a very different regional pattern of special education participation than data collected by the U.S. Bureau for the Education of the Handicapped during the same year. As Table I-20 shows, the B.E.H. data for 1973 argue that the highest participation rates were in the West and South and that the lowest rates were in the Midwest and Northeast, the overall participation rate averaging 6.6 of public school enrollment. In contrast, the O.C.R. data for the same year show that the highest participation rates were in the South and Midwest and that the lowest rates were in the Northeast and West, with an overall participation rate amounting to only 4.4 of public school enrollment. Which set of figures is more correct is hard to say. Our experience, however, suggests that both may be erroneous. Data of the sort collected by B.E.H. are derived from reports of local education agencies which in some states simply cannot be validated. In turn, data of the sort collected in the O.C.R. survey are commonly erroneous because of the difficulties inherent in developing questions which have the same meaning to diverse respondents, to say nothing about the increasing hostility of local education agencies to official questionnaires.

What Needs Are Met and At What Cost? Like data on special education participation rates in general, statistics on the participation of handicapped children in particular service categories often fluctuate substantially depending on the source, and associated cost figures tend to vary even more. Nonetheless, it is becoming increasingly evident that the growth of special education funding over the last few years has been accompanied by some important shifts in what types of handicapped children receive public school services. Traditionally, special education was most likely to be provided either for the retarded or for children with readily apparent disabilities -- deafness, blindness, or orthopedic impairments. The last few years, however, has witnessed a gradual shift toward service in areas that once were largely ignored. Thus, as Table I-21 shows, the last three or four years has seen a decrease in the percentage of special education pupils receiving service for mild-to-moderate mental retardation, hearing defects, speech and orthopedic impairments. It is somewhat surprising, though, to find that there also has been a decrease in the percentage of special education pupils served for emotional disturbances, an area of special education often regarded as fast-growing.

Nothing is more responsible for the changing distribution of special education services than the rapid expansion of resources devoted to specific learning disabilities. In 1973 only about 7.5 percent of all special education students were classified as learning disabled. Currently, it is in excess of 18 percent. Whether services in this area will continue to expand so rapidly, however, is now a matter of great dispute. Partly because of the complex nature of learning disabilities, partly out of fears that learning disabilities are being used as a rationale for increased school spending at a time of declining enrollments, there has been a widening effort to place limitations on the percentage of schoolchildren who can obtain special education for learning disabilities. Ceilings of this sort are now in effect not only in several states, but also after great controversy in P.L. 94-142, the federal Education for All Handicapped Children Act of 1975. The wisdom and effectiveness of such "caps", however, remain to be seen if for no other reason than the fact that many special education labels can be used in precisely the same manner as flags of convenience. Indeed, it is for this very reason that some observers have wondered whether the recent changes in special education service patterns may be much more apparent than real.

Assuming that reported data are roughly reflective of the truth, it is evident from Table I-21 that special education service patterns have shifted much less in some parts of the country than others. No region has experienced a greater shift in its service pattern than the West. The West, without any doubt, has been the prime contributor to the apparent national de-emphasis on placing handicapped children in classes for the educable mentally retarded (E.M.R.). Almost every state in the West reduced its share of special education pupils in E.M.R. classes between 1973 and 1975 by at least 5 percentage points, Hawaii dropping about 14 percentage points and Alaska more than 31 percentage points. As a result, only one state in the West, Washington, now appears to emphasize E.M.R. placement more than the nation as a whole.

As the West has down-played placement in E.M.R. classes, it has given equally strong impetus toward placing handicapped children in classes for specific learning disabilities (S.L.D.). With the exception of Arizona and perhaps Nevada, every state in the West has boosted its S.L.D. placements to levels near to far above the national average.

In the North and Midwest, the trend toward de-emphasiing E.M.R. placements and making S.L.D. more commonplace is apparent, but substantially more mixed than in the West. The South, however, offers an extreme contrast to the West in these areas. With two or three exceptions, southern states have continued to place between 30 and 40 percent of their special education pupils in E.M.R. classes, Georgia leading the nation with a rate of 43 percent. Accordingly, it should not be surprising to discover that the South generally has lagged far behind the rest of the nation in developing services for children with specific learning disabilities. During 1975, for example, only one southern state, Maryland, seems to have placed well above average emphasis on S.L.D. placements, some southern states having less than 10 percent of their handicapped pupils in S.L.D. classes.

A number of factors could explain these divergent regional trends. Part of the variation could result from the very practical problem of not being able to distinguish between pupils served for a small fraction of the school day and those served for all of the school day. And this problem is likely to be especially acute in states like Arizona, Delaware, Colorado, Georgia, New Hampshire or Utah which make rather substantial use of resource rooms or itinerant teachers which make it relatively difficult to establish full-time-equivalence service measures. Yet as Table I-22 suggests, there does not appear to be any especially uniform special education delivery method within any region. Within the North, for example, about as many states are heavily dependent on self-contained classes as states that are not. Similarly, in the South some states like Georgia make unusually great use of resource rooms while others like Louisiana make almost none.

Part of the regional variation, alternatively, might stem from the fact that public schools are notorious for falling susceptible to innovation bandwagons, a social phenomena which at any moment in time can be highly regional. Support for this hypotheses, while circumstantial, comes from two directions. First, it is interesting to note that the nation's most socially conservative region, the South, has exhibited the least variation in its service pattern while the region perhaps most inclined toward social experimentation, the West, has experienced the greatest variation. Second, and possibly more telling, it is rather interesting to observe that almost no state in any region has attempted to make particularly unusual changes in the degree of attention focused on those areas of special education -- classes for the deaf, blind, and trainable mentally retarded on which there tends to be broad academic and social consensus not only about objectives but also about appropriate treatment.

Still other factors could explain the variation. Some special education professionals suggest that the character of services for handicapped children is influenced to a substantial degree by the availability of trained staff with particular types of expertise. Some civil rights groups argue that the type and variety of services may be heavily affected by racial prejudices. Thus far, however, there has been no systematic analysis of these potential influences on an interstate basis.

As Table I-23 indicates, the way states divide resources among special education services differs at least as much if not more than the degree to which they emphasize service for one set of handicaps over another. Nationally, for example, states allocated about 27 percent of their 1975 special education personnel expenditures to classes for E.M.R. children. The range among all states, however, went from a low of about 10 percent in Arizona to a high of more than 52 percent in Mississippi. And similar differences can be found within almost every other special education service category.

Clearly, part of the variation in resource allocation patterns could result from the variation cited in the distribution of special education students by handicap service category. Put another way, part of the pattern of resource allocation could stem from the possibility that some handicapped children are more or less expensive to educate than average. The data presented in Table I-24, however, offer only mixed support for this idea.

Comparing the percent of special education costs allocated to each handicap service category with the percent of special education pupils served in each category nationwide, to be sure, does suggest a hierarchy of special education costs, or state alternatively, a set of special education program expenditure weights. Overall it appears that service costs are inversely related to the absolute number of children served in any particular program. Relatively low prevalence handicapping conditions which require service for a very small number of children -- deafness, blindness, hearing impairments, and severe retardation rank among the highest cost special education programs, involving outlays between 2 and 5 times as great as expenditures for all handicapped children. In contrast, the service categories involving the greatest number of children -- speech therapy, classes for E.M.R. and S.L.D. pupils entail slightly above to much below average special education personnel costs, speech impairment programs for example, generating costs at only about one-third the rate of special education programs in general.

The national pattern of allocating resources among specific special education service categories, unfortunately, is a very poor predictor of the pattern in any state or even region. As Table I-24 points out, the coefficient of variation of resource concentration in any given service category is almost always at least 50 percent and in some cases approaches 100 percent. No doubt, part of this pronounced variability may result from differences in service definitions. This idea, however, does not seem particularly compelling when it is discovered that E.M.R. and S.L.D. programs, programs in which service definitions are highly variable, exhibit less variability in resource concentration than any other special education service category. Indeed, this fact tends to lend some credence to an argument made earlier that much of the variation in the share of special education pupils placed in these categories may be far more apparent than real.

What Next?

Despite state and to a lesser extent, local and federal funding efforts of the last three or four years, many special education experts argue that "full service" has not been attained. It is very apparent, however, that there is little agreement on what "full service" is or what it should cost. This, in part, emerges from the fact demonstrated above that states with relatively similar service or cost levels overall tend to structure their services and outlays for particular types of special needs very differently. It emerges, as well, from the fact that independent studies have suggested widely different service norms. And, it surfaces very evidently in state education agency estimates of full service needs filed in the 1976 E.S.E.A. Title VI-B plan amendments.

According to state education agency estimates, approximately 13.1 percent of all public school children in 1975 had handicapping conditions. And of these children, about 39.2 percent were reported as not enrolled in special class programs. As Table I-25 shows, however, these figures vary widely from state-to-state, with little apparent consistency even within major geographic regions.

State estimates on the number of children with handicapping conditions range from a low of 4.1 percent in New York to a high of 21.8 percent in Colorado. Of 41 states reporting, 5 indicate that their prevalence of handicapping conditions equals 20 percent or more of the public school population and 10 argue that their prevalence rate is 12 percent or less. This great dispersion, however, is entirely consistent with equally diverse estimates made in recent years.

Perhaps significantly, though, almost every state has revised its prevalence estimate fairly substantially since 1972. At least 8 states have increased their estimates by at least 25 percent -- Alaska and Oregon by more than 100 percent. Conversely, 5 states have reduced their estimates by 25 percent -- Nebraska and New York by over 50 percent. It is not evident, however, to what extent these changes reflect rigorous child-find activities and to what degree they entail "seat of the pants" estimates.

As Table I-26 shows, only three states -- Alaska, Delaware, and Tennessee claimed that they were providing special education for at least 90 percent of all handicapped children. At the other extreme, only five states -- Mississippi, New Hampshire, New Mexico, South Dakota and Vermont reported that they were serving less than 40 percent. Again, however, it must be emphasized that the empirical basis for these figures is not at all clear.

The cost of providing full service for all handicapped children according to state education agency estimates will in most states require a doubling or tripling of currently available resources. Put another way, some state education agencies propose to spend twice as much for services to the minority of handicapped children not presently served as on the majority currently served. Nationwide, this increment as Table I-27 shows totals more than $9.2 billion, a sum which amounts to more than 16 percent of all current expenditures for public schools during fiscal 1976. Or put another way, it amounts to more than 200 percent of the estimated $3 billion which has been widely estimated as the full funding level in fiscal 1982 for P.L. 94-142, the federal Education for All Handicapped Children Act.

Footnotes

1. Thomas L. Johns, U.S. Office of Education, Public School Finance Programs, 1971-72 (Washington, D.C.: U.S. Government Printing Office, 1972) p.4.

2. Joel S. Berke and Michael W. Kirst, Federal Aid to Education: Who Benefits? Who Governs? (Lexington, Mass.: Lexington Books, 1972) p.24.

3. U.S. Bureau for the Education of the Handicapped, Unpublished Worksheet. (Washington, D.C.: 1973).

4. Harmon Zeigler and Karl F. Johnson, The Politics of Education in the States (New York: Bobbs-Merrill, 1972) p.47.

5. Comptroller General of the United States, U.S.General Accounting Office, Federal Programs for Education of the Handicapped: Issues and Problems (B-164031(1) December 5, 1974), pp.36-37.

6. Children's Defense Fund, Children Out of School in America (Cambridge, Massachusetts: October, 1974) pp. 91-114.

Table I-1

Estimated Special Education Revenues From State Sources Received By Local Education Agencies, FY 1972*

	Special Education Revenue From State Sources			Exhibit	
	Per Handicapped Pupil Served	Per Handicapped Pupil	Per Enrolled Pupil	Total State Aid Per Enrolled Pupil **	Special Education Aid As A Percent Of Total Aid
Total	$ 321	$ 140	$ 19	$ 407	4.7%
Alabama	461	39	12	320	3.2
Alaska	2183	811	41	1150	3.6
Arizona	253	80	6	363	1.7
Arkansas	39	4	1	251	0.4
California	483	284	30	280	10.7
Colorado	180	89	11	268	4.1
Connecticut	442	175	22	388	5.7
Delaware	1054	559	63	752	8.4
Florida	410	306	26	442	5.9
Georgia	279	139	16	375	4.3
Hawaii	728	338	36	1056	3.4
Idaho	226	52	20	247	8.1
Illinois	329	233	24	405	5.9
Indiana	43	26	3	267	1.1
Iowa	101	39	5	311	1.7
Kansas	138	70	7	234	3.0
Kentucky	479	148	15	320	4.8
Louisiana	37	14	9	477	1.9
Maine	201	44	5	266	1.9
Maryland	410	218	28	488	5.7
Massachusetts	289	167	14	247	5.7
Michigan	333	191	25	380	6.6
Minnesota	265	152	20	694	2.9
Mississippi	14	2	--	330	0.1
Missouri	215	63	13	299	4.3
Montana	686	156	20	213	9.6
Nebraska	146	37	10	128	8.0
Nevada	566	261	22	320	6.7
New Hampshire	146	46	5	54	9.7
New Jersey	329	141	21	357	5.9
New Mexico	519	85	15	478	2.4
New York	0	0	0	709	0.0
North Carolina	307	131	19	415	3.6
North Dakota	75	14	4	211	1.7
Ohio	378	197	27	317	9.9
Oklahoma	53	9	2	229	0.6
Oregon	151	82	8	215	3.9
Pennsylvania	547	307	34	512	6.6
Rhode Island	1002	342	68	334	19.9
South Carolina	263	95	16	333	3.6
South Dakota	79	20	2	109	1.6
Tennessee	274	102	14	263	4.6
Texas	426	95	26	347	6.8
Utah	372	228	30	384	7.8
Vermont	449	100	18	334	4.7
Virginia	248	76	10	369	3.2
Washington	380	308	30	434	5.9
West Virginia	133	25	2	367	1.1
Wisconsin	379	143	21	315	6.9
Wyoming	131	40	8	255	2.4

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*NCSL calculations derived from unpublished data of the U.S. Bureau of Education for the Handicapped.

**NCSL calculations derived from Estimates of School Statistics, 1972-73, National Education Association

Table I-2

State and Local Excess Cost Expenditure Per Handicapped Child Age 6 to 21 Served In Special Education Programs Relative To Current Expenditures For All Programs Per Enrolled Pupil, FY 1972*

	Per Pupil Enrolled In Public School FY 1972	Per Handicapped Pupil Served In Special Education FY 1972		Exhibit: Current Expenditure Per Pupil Enrolled In Public School FY 1972
		Total	As A Percent Of Current Expenditure Per Pupil Enrolled In Public School FY 1972	
Total	$ 30	$ 509	58.9%	$ 864
Alabama	12	461	90.2	511
Alaska	45	2344	199.8	1173
Arizona	6	253	28.9	876
Arkansas	3	96	17.6	545
California	42	667	79.7	837
Colorado	36	575	74.7	770
Connecticut	63	1327	124.7	1064
Delaware	71	1184	122.2	969
Florida	39	602	81.1	742
Georgia	19	339	52.2	649
Hawaii	36	729	77.1	945
Idaho	14	327	49.6	659
Illinois	60	802	84.9	945
Indiana	22	324	44.0	736
Iowa	32	590	64.5	915
Kansas	16	308	41.9	735
Kentucky	19	607	104.1	583
Louisiana	3	54	6.9	780
Maine	11	408	53.3	765
Maryland	35	502	53.0	947
Massachusetts	25	512	58.8	871
Michigan	43	580	55.8	1040
Minnesota	49	647	66.4	974
Mississippi	2	83	14.0	593
Missouri	34	574	83.6	687
Montana	43	1433	174.5	821
Nebraska	32	458	70.4	650
Nevada	36	899	129.2	696
New Hampshire	21	601	79.7	754
New Jersey	47	724	65.0	1114
New Mexico	15	544	79.4	685
New York	N.R.	--	--	1335
North Carolina	20	320	47.8	670
North Dakota	20	331	43.8	755
Ohio	N.R.	--	--	771
Oklahoma	6	173	30.4	567
Oregon	19	367	42.4	865
Pennsylvania	47	768	78.8	974
Rhode Island	96	1405	149.6	939
South Carolina	20	335	51.7	649
South Dakota	3	106	15.1	702
Tennessee	24	457	73.9	618
Texas	32	524	62.0	844
Utah	45	563	92.8	607
Vermont	35	886	83.3	1063
Virginia	27	666	84.8	785
Washington	72	914	115.4	792
West Virginia	12	346	53.0	654
Wisconsin	50	873	96.3	907
Wyoming	21	348	41.4	840

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*NCSL calculations derived from unpublished data of the U.S. Bureau of Education for the Handicapped and Estimates of School Statistics, 1972-73, National Education Association.

Table I-3

Percent Distribution Of State - Local Excess Cost Expenditures For Special Education, FY 1972

	State-Local Excess Cost Expenditure For Special Education, FY 1972*			Exhibit: Percent Of State-Local Public School Revenue From State Sources FY 1972**
	Per Pupil Enrolled In Public School FY 1972	Percent Of Total From State Source Revenues	Percent Of Total From Local Source Revenues	
Total	$ 30	58.5%	41.5%	43.6%
Alabama	12	100.0	0.0	76.2
Alaska	45	93.2	6.8	87.6
Arizona	6	100.0	0.0	44.2
Arkansas	3	40.9	59.1	55.3
California	42	72.5	27.5	39.4
Colorado	36	31.3	68.7	30.0
Connecticut	63	35.1	64.9	23.0
Delaware	71	89.0	11.0	75.4
Florida	39	68.1	31.9	59.6
Georgia	19	82.5	17.5	60.0
Hawaii	36	100.0	0.0	96.8
Idaho	14	69.2	30.8	45.3
Illinois	60	41.0	59.0	40.6
Indiana	22	13.4	86.6	33.3
Iowa	32	17.2	82.8	32.8
Kansas	16	45.0	55.0	29.8
Kentucky	19	78.9	21.1	64.1
Louisiana	3	69.1	30.9	65.2
Maine	11	49.1	50.9	37.0
Maryland	35	81.7	18.3	46.8
Massachusetts	25	56.4	43.6	24.5
Michigan	43	57.5	42.5	46.2
Minnesota	49	41.0	59.0	50.8
Mississippi	2	17.8	82.2	65.6
Missouri	34	37.5	62.5	36.7
Montana	43	73.9	26.1	29.3
Nebraska	32	31.9	68.1	18.9
Nevada	36	62.9	37.1	42.9
New Hampshire	21	24.3	75.7	6.9
New Jersey	47	45.4	54.6	27.2
New Mexico	15	95.5	4.5	73.7
New York	N.A.	N.R.	N.R.	44.9
North Carolina	20	95.8	4.2	74.4
North Dakota	20	22.6	77.4	33.4
Ohio	N.A.	N.R.	N.R.	32.5
Oklahoma	6	30.6	59.4	29.9
Oregon	19	41.1	58.9	20.8
Pennsylvania	47	71.3	28.7	50.3
Rhode Island	96	71.3	28.7	38.8
South Carolina	20	78.5	21.5	67.0
South Dakota	3	74.9	25.1	17.3
Tennessee	24	59.9	40.1	51.6
Texas	32	81.4	18.6	52.9
Utah	45	66.3	33.7	56.8
Vermont	35	50.7	49.3	35.1
Virginia	27	37.3	62.7	38.3
Washington	72	41.5	58.5	53.5
West Virginia	12	38.3	61.7	63.1
Wisconsin	50	43.4	56.6	31.8
Wyoming	21	37.8	62.2	37.8

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*NCSL calculations derived from unpublished data of the U.S. Bureau of Education for the Handicapped.

Table I-4

Estimated Special Education Expenditure Per Pupil Enrolled In Public School, FY 1972 Ranked By Zeigler-Johnson Index Of Progressive Liberalism

	Liberalism Index[a]	Special Education Expenditure Per Pupil Enrolled In Public School[b]
Total	0.00	
Massachusetts	1.31	$25
Connecticut	1.22	63
Washington	1.16	72
Wisconsin	1.15	50
New York	1.11	N.R.
California	1.08	42
Colorado	.97	36
Iowa	.94	32
Minnesota	.94	49
Illinois	.91	60
Oregon	.90	19
Kansas	.89	16
Rhode Island	.81	96
Michigan	.80	43
Nevada	.78	36
North Dakota	.74	20
Montana	.74	43
Wyoming	.73	21
New Jersey	.73	47
Ohio	.71	N.R.
New Hampshire	.65	21
Indiana	.64	22
Nebraska	.48	32
South Dakota	.33	3
Utah	.30	45
Pennsylvania	.30	47
Alaska	.28	45
Vermont	.27	35
Hawaii	.23	36
Delaware	.16	71
Idaho	.13	14
Maryland	.04	35
Maine	-.03	11
Oklahoma	-.09	6
Missouri	-.25	34
Arizona	-.29	6
New Mexico	-.29	15
West Virginia	-.67	12
Kentucky	-.98	19
Texas	-1.00	32
Tennessee	-1.25	24
Virginia	-1.27	27
Florida	-1.30	39
Louisiana	-1.45	3
North Carolina	-1.64	20
Arkansas	-1.69	3
Alabama	-2.11	12
Georgia	-2.12	19
Mississippi	-2.84	2
South Carolina	-2.88	20

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a. Harmon Zeigler and Karl Johnson, The Politics of Education in the States, (Indianapolis: Bobbs-Merrill, 1972). p. 47.

b. NCSL calculations derived from unpublished data from the U.S. Bureau of Education for the Handicapped.

Table I-5

Estimated Prevalence Of Handicapping Conditions By Selected Study

Handicap Category	Study						
	BEH[a]	Rossmiller[b]	North Dakota[c]	New York[d]	Hawaii[e]	Nebraska[f]	Maryland[g]
Total	10.035%	8.600%	18.430%	35.045%	7.390%	24.500%	7.980%
Speech Impairments	3.500	3.600	5.000	3.500	3.000	4.500	2.840
Emotional Disturbance	2.000	2.000	3.000	2.000	0.100	5.000	0.120
Mental Retardation	2.300	1.540	2.250	2.300	1.950	6.300	1.630
Learning Disability	1.000[h]	1.120	5.000	26.000	2.000	7.000	1.340
Hearing Impairments	0.500	0.100	2.100	0.575	0.200	1.000	0.060[i]
Deafness	0.075	N/A	N/A	N/A	N/A	N/A	N/A
Orthopedic Impairments	0.500	0.210	0.500	0.500	0.100	0.350	0.070
Visual Impairments	0.100	0.050	0.080	0.100	0.030	0.350	0.010
Multi-Handicapped	0.060	0.070	0.500	0.070	0.010	N/A	1.840
Study Date	1969	1970	1973	1973	1974	1973	1975

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a. U.S. Department of Health Education and Welfare. *Handicapped Children in the United States*. Bureau for the Education of the Handicapped, 1970.

b. Rossmiller, Hale, Frohreich. *Educational Programs for Exceptional Children: Resource Configurations and Costs*. 1070 p.121.

c. Kakalik, *et al*. *Services for Handicapped Youth: A Program Overview*. 1973. p. 276.

d. Bernstein, *et al*. *Financing Educational Services for the Handicapped*. 1974, p.58.

e. Ibid.

f. Kakalik, *et al*. p. 276.

g. Maryland State Department of Education. Mimeo. *A Report Prepared for the Governor's Study Commission of Funding the Education of Handicapped Children*. 1975. p. 2 These figures represent the actual incidence rates of public school children for the 74-75 school year.

h. 3.0 percent as of 1974.

i. Includes deaf.

Table I-6

Percent of Public School Children, Age 6 to 21, Served in Special Education Programs, FY 1972

	Children Age 6 to 21 Served In Public School Special Education Programs, FY 1972	
	Number*	As A Percent of Public Elementary and Secondary School Enrollment**
U.S. Total	2,816,727	5.9
Alabama	21,324	2.6
Alaska	1,875	1.9
Arizona	12,678	2.5
Arkansas	12,388	2.7
California	318,576	6.3
Colorado	37,512	6.3
Connecticut	33,694	4.8
Delaware	8,351	6.0
Florida	104,601	6.5
Georgia	65,061	5.7
Hawaii	9,106	4.9
Idaho	8,395	8.9
Illinois	180,877	7.5
Indiana	86,569	6.9
Iowa	36,521	5.4
Kansas	27,713	5.1
Kentucky	24,336	3.2
Louisiana	45,056	5.2
Maine	6,741	2.7
Maryland	65,959	6.9
Massachusetts	62,760	5.0
Michigan	165,018	7.4
Minnesota	70,323	7.6
Mississippi	16,427	3.0
Missouri	65,110	6.0
Montana	5,358	3.0
Nebraska	23,734	7.0
Nevada	6,300	4.0
New Hampshire	6,070	3.6
New Jersey	99,189	6.4
New Mexico	8,655	2.9
New York	221,219	6.2
North Carolina	73,542	6.1
North Dakota	8,947	5.9
Ohio	175,300	7.1
Oklahoma	23,746	3.7
Oregon	26,274	5.3
Pennsylvania	148,751	6.1
Rhode Island	13,475	6.8
South Carolina	38,275	5.9
South Dakota	4,414	2.6
Tennessee	49,173	4.4
Texas	174,162	6.2
Utah	29,955	9.0
Vermont	4,612	3.9
Virginia	44,768	4.0
Washington	64,223	7.8
West Virginia	15,104	3.6
Wisconsin	58,845	5.7
Wyoming	5,665	6.1

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*NCSL calculations derived from unpublished data of the U.S. Bureau of Education for the Handicapped.

**NCSL calculations derived from Estimates of School States, 1972-73, National Education Association.

Table I-7

Estimated Number of Handicapped Children, Age 3 to 19, Receiving Special Education Services In Public Schools, FY 1972

Handicap Category	BEH Prevalance Estimate, FY 1972	Potential Number of Handicapped Children in Public School Age 3 to 19, FY 1972[b]	Number[c]	Percent of Potential Number of Handicapped Children Age 3 to 19 in Public School[d]
Total	10.035%	4,606,591	2,857,551	62.0%
Speech Impairments	3.500	1,606,684	1,360,203	84.7
Emotional Disturbance	2.000	918,105	156,486	17.0
Mental Retardation	2.300	1,055,821	872,213	82.6
Learning Disabilities	1.000[a]	459,052	166,534	36.3
Hearing Impairments	0.500	229,526	43,915	19.1
Deafness	0.075	34,429	35,624	103.5
Orthopedic Impairments	0.500	229,526	182,636	79.6
Visual Impairments	.100	45,905	30,630	66.7
Multi-Handicapped	0.060	27,543	9,310	33.8

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[a] In 1974 BEH changed its estimate for children with specific learning disabilities from 1 to 3 percent

[b] Total public school enrolled (age 3-19) in 1972 was 45,905,244. This was estimated by using the 1970 U.S. Census data of total population age 1-17 and multiplying by the 1970 public school enrollment rate (69.4%). Using the BEH estimates of prevalance and the total public school enrollment, the handicapped population of 1972 could then be estimated.

[c] U.S. Bureau for the Education of the Handicapped.

[d] These percentages are somewhat greater than those often presented by the U.S. Bureau for the Education of the Handicapped because BEH fails to acknowledge two important facts in making service rates: first, virtually no children under age 3, handicapped or not are enrolled in public school; and second, about 12 percent of all school age children are enrolled in parochial or other private schools.

Table I-8

Special Education Revenue From State Sources For The Education Of School Aged Handicapped Children In Local Education Agencies, FY 1972 to FY 1976

	Special Education Revenue From State Sources				
	FY 1972 *	FY 1975 **	FY 1976 **	% Increase FY 1972-1975	% Increase FY 1975-1976
U.S. Total	$910,067,207	$2,038,038,111	$2,467,000,000est.	123.9%	21.1%
Alabama	9,843,722	28,350,000	34,630,000	188.0	22.2
Alaska	4,094,460	9,390,432	N.R.	129.3	--
Arizona	3,209,234	16,635,465	20,500,000	418.4	23.2
Arkansas	485,000	6,743,180	8,959,000	1290.3	32.9
California	154,009,596	207,303,962	230,658,900	34.6	11.3
Colorado	6,750,000	22,665,000	24,600,000	235.8	8.5
Connecticut	15,705,684	51,119,000	60,280,000	225.5	17.9
Delaware	8,800,000	16,900,000	19,900,000	92.0	17.8
Florida	42,842,415	113,514,605	137,000,000	165.0	20.7
Georgia	18,178,026	43,138,645	62,064,000	137.3	43.9
Hawaii	6,636,652	8,534,358	9,227,038	28.6	8.1
Idaho	1,900,510	9,311,000	11,623,000	389.9	24.8
Illinois	59,575,000	115,066,000	135,950,000	93.0	--
Indiana	3,756,908	16,500,000	22,010,000	339.0	33.4
Iowa	3,700,000	10,765,000	38,650,142	190.9	259.0
Kansas	3,841,000	9,476,000	12.108.000	146.7	27.8
Kentucky	11,665,552	20,427,000	32,436,000	75.1	58.8
Louisiana	1,675,280	31,450,273	44,474,484	1777.3	41.4
Maine	1,352,615	4,350,000	5,500,000	221.6	26.4
Maryland	27,066,000	40,977,000	53,653,000	51.4	34.9
Massachusetts	18,120,250	93,000,000	132,900,000	413.2	--
Michigan	55,000,000	90,050,000	123,800,000	63.7	37.6
Minnesota	18,633,000	28,500,000	38,500,000	53.0	35.1
Mississippi	240,000	8,199,119	11,108,744	3316.3	35.5
Missouri	14,005,208	28,229,434	32,304,044	101.6	14.4
Montana	5,676,340	13,457,275	19,200,486	137.1	42.7
Nebraska	3,472,000	10,326,357	12,336,840	197.4	19.5
Nevada	3,565,950	6,293,000	8,096,000	76.5	28.7
New Hampshire	336,117	1,304,851	N.R.	47.2	--
New Jersey	32,655,944	61,540,794	67,710,000	88.5	10.0
New Mexico	4,500,000	12,661,000	15,442,000	181.5	22.0
New York	0	196,559,631	227,241,650	--	15.6
North Carolina	22,555,864	40,821,227	47,000,000	81.0	15.1
North Dakota	670,848	1,591,746	3,500,000	137.3	119,9
Ohio	66,245,828	103,046,563	121,438,568	55.6	17.8
Oklahoma	1,250,000	7,624,585	9,365,000	510.0	22.8
Oregon	3,962,496	5,273,196	N.R.	33.1	--
Pennsylvania	81,403,000	168,000,000	180,000.000	106.4	7.1
Rhode Island	13,500,000	16,500,000	N.R.	22.2	--
South Carolina	10,073.473	19,029,489	31,845,556	88.9	67.3
South Dakota	350,000	350,000	850,000	0	142.9
Tennessee	13,459,033	33,513,923	38,498,000	149.0	14.9
Texas	74,186,400	190,805,000	209,885,000	157.2	10.0
Utah	10,057,320	13,573,252	19,214,982	35.0	41.6
Vermont	2,069,576	3,173,000	3,549,000	53.3	11.7
Virginia	11,107,000	21,328,675	N.R.	92.0	--
Washington	24,383,645	33,283,263	38,400,000	36.5	15.4
West Virginia	2,004,208	4,633,525	N.R.	31.2	--
Wisconsin	22,282,238	37,752,286	47,400,000	69.4	25.6
Wyoming	743,815	5,000,000	N.R.	572.2	--

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* Source: U.S. Bureau of Education for the Handicapped.

** ESEA Title VI-B State Plan Amendments, U.S. Bureau of Education for the Handicapped, FY 1976

Table I-9

Special Education Revenue From State Sources Received By Local Education Agencies Per Public School Pupil and per Handicapped Child, Age 6 to 21, Receiving Special Education FY 1972 and FY 1975

	Per Pupil Enrolled In Public School		Per Handicapped Pupil Served Age 6 to 21	
	FY 1972*	FY 1975**	FY 1972*	FY 1975**
Total	$ 19	$ 44	$ 322	$ 586
Alabama	12	37		
Alaska	41	109	2183	745
Arizona	6	34	253	448
Arkansas	1	14	38	306
California	30	47	478	657
Colorado	11	40	179	260
Connecticut	22	77	441	765
Delaware	63	129	1054	1071
Florida	26	67	407	945
Georgia	16	40	279	432
Hawaii	36	48	728	633
Idaho	20	50	226	648
Illinois	24	50	329	522
Indiana	3	14	43	220
Iowa	5	17	101	254
Kansas	7	21	138	304
Kentucky	15	29	479	444
Louisiana	2	37	37	413
Maine	5	18	200	185
Maryland	28	46	408	529
Massachusetts	14	78	289	950
Michigan	25	42	333	498
Minnesota	20	32	264	
Mississippi	*	16	14	289
Missouri	13	29	215	302
Montana	20	78	686	981
Nebraska	10	32	146	399
Nevada	22	46	566	--
New Hampshire	5	8	146	160
New Jersey	21	42	329	516
New Mexico	15	47	519	1114
New York	0	57	0	1573
North Carolina	19	35	307	414
North Dakota	4	12	75	146
Ohio	27	44	378	
Oklahoma	2	13	53	160
Oregon	8	11	151	130
Pennsylvania	71	74	547	889
Rhode Island	68	92	1002	
South Carolina	16	31	263	249
South Dakota	2	2	79	58
Tennessee	14	38	274	269
Texas	26	69	426	
Utah	30	44	372	309
Vermont	18	30	449	467
Virginia	10	20	248	
Washington	30	42	380	1137
West Virginia	2	11	133	
Wisconsin	21	39	379	489
Wyoming	8	58	131	518

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*NCSL calculations derived from unpublished data of the U.S. Bureau of Education for the Handicapped and Estimates of School Statistics, 1972-73, National Education Association.

**NCSL calculations derived from ESEA Title VI-B State Plan Amendments, U.S. Bureau of Education for the Handicapped, FY 1976, and Estimates of School Statistics, 1975-76, National Education Association.

Table I-10

Special Education Revenue And Total Education Revenue From State Sources Received By Local Education Agencies FY 1972 and FY 1975

	Special Education Revenue From State Sources As A Percent Of Total Revenue From State Sources Received By Local Education Agencies			Exhibit: Percent Change in Total Per Pupil Revenue From State Sources Received By Local Education Agencies
	FY 1972*	FY 1975**	Percent Change FY 1972-FY 1975	FY 1972 to FY 1975
Total	4.6%	7.5%est.	63.0%	48.6%
Alabama	3.8	6.7	76.3	74.6
Alaska	3.6	7.2	100.0	31.4
Arizona	1.7	5.0	194.1	86.2
Arkansas	0.4	3.3	725.0	74.1
California	10.7	7.9	-26.2	112.5
Colorado	4.1	6.8	65.8	119.0
Connecticut	5.7	18.7	228.1	6.4
Delaware	8.4	11.7	39.3	47.6
Florida	5.9	10.3	74.6	47.3
Georgia	4.3	7.2	67.4	47.2
Hawaii	3.4	4.0	17.6	13.6
Idaho	8.1	9.8	21.0	104.4
Illinois	5.9	7.1	20.3	75.3
Indiana	1.1	3.2	190.9	65.1
Iowa	1.6	3.2	100.0	74.3
Kansas	3.0	4.2	40.0	117.9
Kentucky	4.8	5.5	14.6	65.3
Louisiana	1.9	6.0	215.8	29.4
Maine	1.9	3.5	84.2	92.8
Maryland	5.7	5.7	0.0	65.4
Massachusetts	5.7	20.0	250.9	56.7
Michigan	6.6	6.7	9.8	66.3
Minnesota	2.9	3.7	27.6	130.8
Mississippi	0.1	3.4	3400.0	43.0
Missouri	4.3	6.8	58.1	41.5
Montana	9.6	19.0	97.9	93.4
Nebraska	8.0	10.2	27.5	46.3
Nevada	6.7	10.7	59.7	33.8
New Hampshire	9.7	10.0	10.4	38.9
New Jersey	5.9	7.7	30.5	52.3
New Mexico	2.4	6.2	158.3	59.4
New York	0.0	6.7	--	20.3
North Carolina	3.6	4.0	11.1	109.9
North Dakota	1.7	2.3	35.2	141.7
Ohio	9.9	9.4	-5.1	48.9
Oklahoma	0.6	2.4	300.0	129.3
Oregon	3.9	2.9	-25.6	75.8
Pennsylvania	6.6	9.2	39.4	56.1
Rhode Island	19.9	17.8	-10.6	55.4
South Carolina	3.6	4.9	36.1	73.0
South Dakota	1.6	1.5	-6.3	37.6
Tennessee	4.6	7.2	56.5	103.8
Texas	6.8	13.6	100.0	45.0
Utah	7.8	7.3	5.1	59.1
Vermont	4.7	6.5	38.3	39.2
Virginia	3.2	5.2	62.5	18.8
Washington	6.9	5.9	-14.5	29.5
West Virginia	1.1	2.0	81.8	58.3
Wisconsin	6.9	7.2	4.3	48.2
Wyoming	2.4	12.8	433.3	57.9

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*NCSL calculations derived from unpublished data of the U.S. Bureau of Education for the Handicapped and Estimates of School Statistics, 1972-73, National Education Association.

**NCSL calculations derived from ESEA Title VI-B State Plan Amendments, U.S. Bureau of Education for the Handicapped, FY 1976, and Estimates of School Statistics, FY 1975-76, National Education Association.

Table I-11

Special Education Revenue and Total Education Revenue Per Public School Pupil Received From State Sources by Local Education Agencies: Growth and Changes in Proportions, FY 1972 to FY 1975

Low Growth In State Aid Overall Low Growth In Special Education Aid As A Percent Of Total		High Growth In State Aid Overall Low Growth In Special Education Aid As A Percent Of Total	
		High Base 1972	
Delaware Hawaii	Washington Wisconsin	California Idaho New Jersey Rhode Island	Illinois Maryland Michigan Minnesota Ohio Pennsylvania Utah
	Missouri Nebraska New Hampshire South Dakota Vermont	Kansas Kentucky North Dakota Oregon South Carolina Tennessee	North Carolina
		Special Education Aid As A Percent Of Total	
High Base 1972	Total State Aid	Low Base 1972	Total State Aid High Base 1972
New York Louisiana	Georgia Mississippi Virginia	Alabama Arizona Arkansas Colorado Indiana Iowa Maine Massachusetts Oklahoma West Virginia Wyoming	New Mexico
		Special Education Aid As A Percent Of Total	
	Connecticut Nevada Texas	Montana	
		High Base 1972	
Low Growth In State Aid Overall High Growth In Special Education Aid As A Percent Of Total		High Growth In State Aid Overall High Growth In Special Education Aid As A Percent Of Total	

Table I-12

Special Education Revenue Allocated To Handicapped Children Age 6 to 21, by Source, FY 1975**

	Amount	Percent of Special Education Revenue From: State Sources	Local Sources	Federal Sources
Total	$2,702,337,744	54.8%*	30.8%*	14.4%*
Alabama	N.R.			
Alaska	N.R.	--	--	--
Arizona	32,176,133	50.7	44.7	4.6
Arkansas	13,245,536	50.9	21.1	28.1
California	N.R.			
Colorado	65,007,738	58.6	25.2	16.2
Connecticut	77,627,594	65.9	27.7	6.4
Delaware	20,617,000	69.0	23.0	8.0
Florida	147,759,000	51.5	29.0	19.5
Georgia	64,537,000	81.6	8.3	10.1
Hawaii	N.R.	--	--	--
Idaho	13,734,000	67.8	20.8	11.4
Illinois	384,712,477	29.9	42.1	28.0
Indiana	54,991,000	53.4	40.6	6.0
Iowa	36,461,000	29.5	61.5	9.0
Kansas	33,846,000	74.0	19.9	6.1
Kentucky	28,665,172	72.1	14.7	13.2
Louisiana	46,242,694	89.2	--	10.8
Maine	11,962,255	36.4	36.4	27.2
Maryland	85,961,000	47.7	39.5	12.8
Massachusetts	210,430,000	44.3	28.6	27.1
Michigan	202,453,626	56.8	37.0	6.2
Minnesota	N.R.			
Mississippi	18,524,702	44.3	20.7	35.0
Missouri	51,645,459	54.5	37.1	8.4
Montana	14,442,730	93.2	0.0	6.8
Nebraska	21,860,000	51.2	40.7	8.1
Nevada	N.R.			
New Hampshire	17,724,580	27.9	56.4	15.7
New Jersey	N.R.			
New Mexico	14,790,000	83.4	4.9	11.7
New York	372,745,248	52.7	41.5	5.8
North Carolina	81,731,000	63.0	10.8	26.2
North Dakota	8,064,000	65.6	26.4	8.0
Ohio	N.R.			
Oklahoma	29,838,628	25.6	30.4	44.0
Oregon	30,525,000	31.7	46.0	22.3
Pennsylvania	213,743,000	78.6	15.5	5.9
Rhode Island	N.R.			
South Carolina	41,006,636	78.7	0.9	20.4
South Dakota	5,885,000	14.4	70.8	14.8
Tennessee	113,668,461	58.7	38.2	3.1
Texas	N.R.			
Utah	23,865,823			
Vermont	6,537,000	48.5	27.8	23.7
Virginia	N.R.			
Washington	N.R.			
West Virginia	N.R.			
Wisconsin	98,969,000	36.3	58.7	5.0
Wyoming	6,342,252	35.0	61.2	3.8

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* Unweighted mean. Weighted mean for State share is 52.9 percent.

** NCSL calculations derived from ESEA Title VI-B State Plan Amendments, U.S. Bureau of Education for the Handicapped, FY 1976.

Table I-13

Revenue From Federal Sources By Program Used To Support State-Local Special Education Programs In Selected States FY 1975*

State	Arizona	Arkansas	Florida	Illinois	Iowa	Massachusetts	Oklahoma	Wisconsin
Total Revenue From Federal Sources For Special Education	$1,488,133	$3,666,356	$28,890,000	$107,846,477	$3,258,073	$57,430,000	$13,150,593	$5,430,000
Percent From:								
Part B-EHA	25.3%	10.2%	5.5%	1.2%	10.0%	4.5%	3.0%	19.7%
Part D-EHA	6.0	2.5	0.6	0.1	2.6	0.3	0.6	2.5
PL 89-313	29.0	5.4	8.1	5.1	23.2	6.3	4.6	39.7
ESEA-I	--	60.0	0.8	77.9	--	60.9	19.0	3.4
ESEA-III	8.2	5.6	2.5	1.4	10.7	4.7	0.5	10.5
Vocational Education	28.1	14.3	4.7	13.3	8.9	22.6	9.0	7.0
Part E	--	--	--	--	--	--	--	--
Part C-EHA	--	--	0.4	0.1	0.4	0.2	0.3	5.8
Part F-EHA	--	--	--	--	0.1	--	--	1.8
Part G-EHA	3.4	2.0	0.2	--	--	0.5	0.7	--
Vocational Rehabilitation	--	--	75.6	--	43.1	--	61.9	9.6
Other	--	--	1.6	0.9	--	--	0.4	--
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0	100.0
Federal Revenues as a Percent Of Total Revenues for Special Education	4.6%	28.1%	19.5%	28.0%	9.0%	27.1%	44.0%	5.0%

*NCSL calculations derived from ESEA Title VI-B State Plan Amendments, U.S. Bureau of Education for the Handicapped, FY 1976.

Table I-14

Special Education Expenditures By Agency Type, FY 1975[c]

	Total Special Education Expenditure	Percent of Total Expenditure: Education Agencies	Health Agencies	Welfare Agencies	Other And Unallocable
	$4,760,695,218	84.5%	3.9%	1.7%	9.9%
Alabama					
Alaska	12,137,000	95.5	--	--	4.5
Arizona	71,605,117	94.0	--	--	6.0
Arkansas	36,061,000	89.1	--	--	10.9
California	1,541,400,000	--	--	--	--
Colorado	82,364,500	83.2	--	--	16.7
Connecticut	71,305,000	82.3	--	--	17.6
Delaware	20,600,000	100.0	--	--	--
Florida	137,483,000	87.1	1.6	11.8	--
Georgia	54,375,000	89.1	--	--	1.4
Hawaii	9,646,419	100.0	--	--	--
Idaho	13,734,000	67.8	--	--	32.2
Illinois	178,739,000	--			
Indiana	54,991,000	76.7	23.3	--	--
Iowa	36,447,000	100.0	--	--	--
Kansas	39,343,000	86.0	--	--	14.0
Kentucky	27,132,700	100.0	--	--	--
Louisiana	56,209,200	78.8	11.8	--	--
Maine	11,960,255	57.1	21.3	--	21.6
Maryland	86,366,000	--	--	--	--
Massachusetts	284,670,000	41.1	47.6	11.9	0.0
Michigan	145,508,279	--	--	--	--
Minnesota	--	--	--	--	--
Mississippi	18,585,002	71.5			28.5
Missouri	164,137,000	97.5	2.4	0.7	0.1
Montana	9,048,000	93.4	0.1	4.0	2.5
Nebraska	17,630,523	100.0	--	--	--
Nevada	--	--	--	--	--
New Hampshire	2,475,144	--	--	--	--
New Jersey	231,384,000				
New Mexico	14,251,000	61.0	--	--	39.0
New York	365,898,631[b]	96.0	--[b]	--	4.0
North Carolina	51,351,000	84.7	2.1	13.3	--
North Dakota	8,124,000	76.0	2.5	--	21.5
Ohio					
Oklahoma	35,715,000	54.2	--	--	45.8
Oregon	30,575,000	81.7	15.2	--	3.1
Pennsylvania	201,069,000	--	--	--	--
Rhode Island	--	--	--	--	--
South Carolina	45,915,900	59.4	--	--	40.6
South Dakota	4,167,000	--	--	--	--
Tennessee	434,666,000	98.0	--	--	2.0
Texas	--	--	--	--	--
Utah	17,144,500[a]	100.0	--	--	--
Vermont	7,472,000	87.3	--	12.7	--
Virginia	--	--	--	--	--
Washington	39,641,095	100.0	--	--	--
West Virginia	--	--	--	--	--
Wisconsin	76,272,476	98.7	--	1.3	--
Wyoming	13,145,000	--	--	--	--

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a. For FY 1976. FY 1975 data not reported

b. Does not reflect outlays by Department of Health

c. NCSL calculations derived from ESEA Title VI-B State Plan Amendments, U.S. Bureau of Education for the Handicapped, FY 1976.

Table I-15

Revenues Allocated to Special Education
As a Percent of Total Public School Revenues
FY 1975, Ranked by Current Expenditure per Pupil, FY 1975

	Revenues Allocated to Special Education for Handicapped Children Age 6 to 21, FY 1975[a]				
	Total	Per Public School Pupil	As A Percent Of Total Public School Revenues	Per Handicapped Pupil Served Age 6 to 21, FY 1975	Exhibit: Current Expenditure per Public School Pupil, FY 1975
U.S. Total	$2,701,637,751	$ 60	4.3%	$ 1090	$1178
New York	372,745,248	109	5.1	2982	1870
Connecticut	77,627,594	117	7.2	1162	1488
Delaware	20,617,000	158	9.7	1307	1388
Pennsylvania	213,743,000	94	5.7	1131	1383
Maryland	85,961,000	96	5.4	1109	1371
Wisconsin	98,969,000	102	7.0	1281	1335
Oregon	30,525,000	64	4.3	752	1305
Wyoming	6,342,252	73	5.4	657	1303
Massachusetts	210,430,000	175	11.4	2149	1297
Iowa	36,461,000	59	4.7	860	1225
Vermont	6,537,000	62	4.2	961	1224
Michigan	202,453,626	95	7.7	1120	1203
Colorado	65,007,738	114	8.0	746	1200
Illinois	384,712,477	168	10.0	1745	1196
Kansas	33,846,000	76	6.0	1089	1157
Nebraska	21,860,000	69	5.5	844	1137
Arizona	32,176,133	66	4.5	867	1083
New Mexico	14,790,000	55	4.5	1300	1067
North Dakota	8,064,000	61	4.9	738	1020
North Carolina	81,731,000	69	5.3	830	1017
Maine	11,962,255	49	4.5	508	1004
Missouri	51,645,459	53	4.4	552	982
Montana	14,442,730	84	8.1	1052	981
South Dakota	5,885,000	38	3.3	982	968
Idaho	13,734,000	73	6.9	955	963
Indiana	54,991,000	46	3.6	734	958
Florida	147,759,007	88	8.0	1231	956
Oklahoma	29,838,628	50	4.6	624	955
South Carolina	41,006,636	66	6.2	537	951
Louisiana	46,242,694	55	5.0	607	947
Georgia	64,537,000	60	6.0	647	906
Utah	23,865,823	78	7.0	544	902
Tennessee	113,668,461	130	12.9	913	885
New Hampshire	17,124,580	102	9.8	2172	879
Mississippi	18,524,702	36	4.0	653	842
Kentucky	28,665,172	41	4.1	623	820
Arkansas	13,245,536	28	3.1	601	796

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[a] Data not available for Alabama, Alaska, California, Hawaii, Minnesota, Nevada, New Jersey, Ohio, Rhode Island, Texas, Virginia, Washington, and West Virginia

[b] NCSL calculations derived from ESEA Title VI-B State Plan Amendments, U.S. Bureau of Education for the Handicapped.

[c] NCSL calculations derivde from ESEA Title VI-B State Plan Amendments, U.S. Bureau of Education for the Handicapped, FY 1976, and Estimates of School Statistics 1975-76, National Education Association.

[d] NCSL calculations derived from Estimates of School Statistics, 1975-76, National Education Association.

Table I-16

Handicapped Children Age 6 to 21 Served In Public School Special Education Programs, FY 1975

	Number[a]	As A Percent Of Public Elementary and Secondary Enrollment[b]	Percent Change In Service Rate FY 1972 to FY 1975
Total	2,861,077	7.8%	32.2%
Alabama			
Alaska	12,613	14.6	668.4
Arizona	37,095	7.6	204.0
Arkansas	22,023	4.6	70.4
California	315,461	7.1	12.7
Colorado	87,166	15.3	188.7
Connecticut	66,781	10.1	110.4
Delaware	15,780	12.1	101.7
Florida	120,078	7.1	9.2
Georgia	99,746	9.2	61.4
Hawaii	13,477	7.6	55.1
Idaho	14,380	7.7	-13.5**
Illinois	220,415	9.6	28.0
Indiana	74,936	6.3	-8.7
Iowa	42,390	6.9	27.8
Kansas	31,084	7.0	37.3
Kentucky	46,024	6.6	106.3
Louisiana	76,222	9.0	73.1
Maine	23,526	9.6	255.6
Maryland	77,520	8.7	26.1
Massachusetts	97,905	8.2	64.0
Michigan	180,783*	8.5	14.9
Minnesota			
Mississippi	28,356	5.5	83.3
Missouri	93,497	9.5	58.5
Montana	13,722	8.0	166.7
Nebraska	25,910	8.1	15.7
Nevada			
New Hampshire	8,160	4.7	30.6
New Jersey	119,295	8.1	26.6
New Mexico	11,370	4.2	44.8
New York	124,994	3.6	-41.9
North Carolina	98,515	8.4	37.7
North Dakota	10,925	8.2	39.0
Ohio			
Oklahoma	47,719	8.0	116.2
Oregon	40,578	8.5	60.4
Pennsylvania	188,957*	8.3	56.1
Rhode Island			
South Carolina	76,335*	12.3	108.5
South Dakota	5,995	3.9	50.0
Tennessee	124,511	14.3	225.0
Texas			
Utah	43,874	14.3	58.9
Vermont	6,799	6.5	66.7
Virginia			
Washington	29,262	4.2	-46.2**
West Virginia			
Wisconsin	77,241	7.9	38.6
Wyoming	9,657*	11.2	83.6

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* All agencies.

** Drop may reflect reporting errors for FY 1972.

a. Source: ESEA Title VI-B Plan Amendments of the U.S. Bureau of Education for the Handicapped, FY 1976.

b. NCES calculations derived from ESEA Title VI-B Plan Amendments of the U.S. Bureau of Education for the Handicapped, FY 1976 and *Estimates of School Statistics, 1975-76*, National Education Association.

Table I-17

Special Education Participation Rates By Region, FY 1972 to FY 1975[f]

	Pupils Age 6 to 21 Served In Special Education Programs As A Percent Of Public School Enrollment			
	FY 1972		FY 1975	
Region	Mean[a]	Standard Deviation	Mean[a]	Standard Deviation
U.S.	5.3%	1.8%	8.4%	2.9%
North	5.0	1.4	7.4[b]	2.3
Midwest	6.2	1.4	7.6[c]	1.7
South	4.7	1.5	8.8[d]	[illegible]
West	5.3	2.4	9.2[e]	3.8

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a. Unweighted Mean

b. No data for Rhode Island

c. No data for Minnesota and Ohio

d. No data for Alabama, Texas, Virginia, West Virginia

e. No data for Nevada

f. Calculations derived from ESEA Title VI-B State Plan Amendments to the Bureau for the Education of the Handicapped, FY 1976, and unpublished data from U.S. Bureau of Education for the Handicapped 1975.

Table I-18

Percent Change in Special Education Participation Rate Relative to Percent Change in State Aid for Special Education Per Public School Pupil by Region FY 1972 to FY 1975

	Percent Change FY 1972 to FY 1975		
Region	(1) Mean Special Education Participation Rate	(2) Mean State Aid For Special Education per Public School Pupil	(3) Participation Rate in Column (1) Relative to Aid In Column (2)
U.S.	54.7%	66.5%	.444%
North	45.1	117.4	.384
Midwest	22.6	107.5	.210
South	87.2	115.8	.753
West	73.6	136.2	.540

Table I-19

State Special Education Participation Rates Ranked by Percent of Special Education Revenues From State Sources, FY 1975 **

	Special Education Enrollment, Children Age 6 to 21, as a Percent of Public School Enrollment FY 1975	Percent of Special Education Revenue Provided by State Government FY 1975*
U.S. Average	7.8%	54.1%
Montana	8.0	93.2
Louisiana	9.0	89.2
New Mexico	4.2	83.4
Georgia	9.2	81.6
South Carolina	12.3	78.7
Pennsylvania	8.3	78.6
Kansas	5.6	74.0
Kentucky	6.6	72.1
Delaware	12.1	69.0
Idaho	7.7	67.8
Connecticut	10.1	65.9
North Dakota	8.2	65.6
North Carolina	8.4	63.0
Tennessee	14.3	58.7
Colorado	15.3	58.6
Utah	14.3	56.9
Michigan	8.5	56.8
Missouri	9.1	54.5
Indiana	6.3	53.4
New York	3.6	52.7
Florida	8.7	51.5
Nebraska	8.1	51.2
Arkansas	4.6	50.9
Arizona	6.1	50.7
Vermont	6.5	48.5
Maryland	8.8	47.7
Massachusetts	8.2	44.3
Mississippi	5.5	44.3
Maine	9.6	36.4
Wisconsin	7.9	36.3
Wyoming	11.2	35.0
Oregon	8.5	31.7
Illinois	9.6	29.9
Iowa	6.8	29.5
New Hampshire	4.5	27.9
Oklahoma	8.0	25.6
South Dakota	3.9	14.4

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* Data not available for Alabama, Alaska, California, Hawaii, Minnesota, Nevada, New Jersey, Ohio, Rhode Island, Texas, Virginia, Washington, and West Virginia.

** NCSL calculations derived from Title VI-B State Plan Amendments FY 1976, and Estimates of School Statistics, 1975-76, National Education Association.

Table I-20

Special Education Participation Rates By Region Reported By The U.S. Office For Civil Rights and The U.S. Bureau For The Education Of The Handicapped, FY 1973

	Pupils Age 6 to 21 Served In Noninstitutional Special Education Programs As A Percent Of Public School Enrollment			
	OCR Estimate[a]		BEH Estimate	
Region	Percent	Rank	Percent	Rank
U.S.	4.0%	--	6.6%	--
North	3.5	3	5.5	4
Midwest	4.2	2	7.4	2
South	4.6	1	7.0	3
West	3.2	4	8.1	1

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a. DBS Corporation, Analysis of 1973 Participation of Handicapped Children in Local Education Programs, (Arlington, Va., September 1975), p.14.

Table I-21

Distribution of Participation in Special Education Programs by Type of Handicap and Region FY 1973[a] and FY 1975[b]

Handicap Type and Year[c]	Percent of Special Education Enrollment by Handicap Type: Mean and Standard Deviation							
	North		South		Midwest		West	
	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation
Total								
1973	100.0%	--%	100.0%	--%	100.0%	--%	100.0%	--%
1975	100.0	--	100.0	--	100.0	--	100.0	--
E.M.R.								
1973	20.7	7.0	34.3	6.6	22.6	6.0	26.0	12.8
1975	19.3	6.0	28.6	10.7	20.1	4.5	16.6	10.1
T.M.R.								
1973	5.3	1.5	4.1	1.3	4.6	2.6	5.7	3.2
1975	5.3	3.0	4.1	1.1	4.8	1.6	5.4	3.3
S.L.D.								
1973	11.0	9.4	6.2	4.4	5.9	7.7	16.2	10.6
1975	21.3	12.0	17.0	9.9	11.5	8.9	30.1	9.4
E.D.								
1973	9.0	7.0	4.2	4.4	6.9	7.0	5.5	5.4
1975	11.4	8.7	4.6	4.7	6.1	3.3	7.6	7.1
O.H.I.								
1973	3.7	5.5	3.3	3.5	1.9	1.5	2.1	2.0
1975	4.9	8.4	2.2	1.2	1.1	1.6	3.2	6.2
C.								
1973	3.3	2.5	2.5	2.6	2.0	1.3	3.8	5.3
1975	1.2	1.1	1.4	1.4	1.3	1.0	1.8	2.1
V.I.								
1973	1.5	0.6	0.8	0.4	0.7	0.3	1.3	1.1
1975	1.5	0.4	0.8	0.5	0.7	0.3	1.0	0.7
S.I.								
1973	42.0	10.2	41.6	8.2	53.5	6.6	36.4	15.6
1975	29.4	16.7	37.2	9.2	30.3	10.9	28.2	14.0
H.H.								
1973	2.1	1.4	2.0	3.2	1.3	1.2	1.8	2.2
1975	1.9	1.1	0.9	0.6	2.6	2.5	1.8	1.5
D.								
1973	1.5	1.1	0.8	0.6	0.6	0.5	1.3	0.7
1975	1.0	0.8	1.1	1.4	0.1	0.3	0.6	0.6
Other								
1973	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1975	2.9	4.1	2.9	2.7	1.2	1.3	1.8	2.6

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a. NCSL calculations derived from the U.S. Bureau of Education for the Handicapped.

b. NCSL calculations derived from ESEA Title VI-B Plan Amendments, FY 1976 of the U.S. Bureau of Education for the Handicapped.

c. Key to abbreviations:

E.M.R. - Educable Mentally Retarded
T.M.R. - Trainable Mentally Retarded
S.L.D. - Specific Learning Disability
E.D. - Emotionally Disturbed
O.H.I. - Other Health Impairment
C. - Crippled
V.I. - Visually Impaired
S.I. - Speech Impaired
H.H. - Hard of Hearing
D. - Deaf

Table I-22

Instructional Personnel By Type In Special Education Programs For Handicapped Children Age 6 to 21, FY 1975 **

	Total Instructional Personnel	Percent of Total Instructional Personnel				
		Special Class Teachers	Resource Room Teachers	Itinerant Teachers	Teacher Aids	Other
U.S. Total	179,743	41.0%*	17.6%*	5.8%*	16.3%*	19.0%*
Alabama						
Alaska	588	N.R.	N.R.	N.R.	21.3	6.7
Arizona	2,020	31.3	33.6	0.0	18.3	16.8
Arkansas	1,342	51.3	7.3	0.0	12.8	28.6
California	23,037	39.0	7.8	7.8	23.2	22.2
Colorado	2,680	23.2	15.3	28.9	14.6	18.0
Connecticut	4,155	60.0	0.2	0	19.3	20.5
Delaware	1,563	19.1	37.3	9.7	14.0	33.8
Florida	7,933	42.8	27.3	3.5	13.0	13.4
Georgia	5,330	26.3	46.2	2.2	12.3	13.0
Hawaii	572	N.R.	N.R.	N.R.	4.9	14.5
Idaho	924	16.2	35.8	1.4	27.6	19.0
Illinois	9,573	71.7	--	0	0.7	27.6
Indiana	4,331	47.6	1.5	3.4	19.1	28.4
Iowa	2,403	44.5	13.4	3.9	13.6	24.6
Kansas	2,184	N.R.	N.R.	N.R.	16.9	18.7
Kentucky	2,322	55.3	14.0	5.1	3.1	22.5
Louisiana	4,871	48.5	0.3	0.1	29.1	22.0
Maine	1,211	21.7	31.2	1.0	13.8	32.3
Maryland	6,493	55.6	24.3	1.4	8.4	10.3
Massachusetts	12,710	25.7	11.7	13.0	28.1	21.5
Michigan	8,320	54.1	--	25.4	20.5	--
Minnesota						
Mississippi	1,883	75.9	--	0.2	4.2	19.7
Missouri	5,484	41.1	12.5	17.4	22.8	6.2
Montana	857	32.3	26.9	0	17.6	23.2
Nebraska	1,053	47.3	16.9	2.9	3.5	29.4
Nevada						
New Hampshire	692	27.0	41.0	11.4	16.5	4.1
New Jersey	5,319	69.2	5.6	1.7	6.1	17.4
New Mexico	983	59.4	16.5	--	14.9	9.2
New York	15,805	N.R.	N.R.	N.R.	25.7	8.8
North Carolina	5,668	25.7	28.4	1.4	13.3	33.2
North Dakota	508	37.0	0.8	20.9	8.3	33.0
Ohio						
Oklahoma	2,495	44.0	17.4	2.5	6.8	29.3
Oregon	2,074	33.0	4.3	17.5	23.3	11.9
Pennsylvania	13,586	56.6	--	--	31.5	11.9
Rhode Island						
South Carolina	3,306	39.5	29.6	9.4	20.2	11.3
South Dakota	296	24.4	36.7	0	16.0	22.9
Tennessee	6,275	21.3	32.0	1.8	21.4	23.0
Texas						
Utah	2,599	19.6	56.4	0	19.2	4.8
Vermont	645	40.5	3.9	5.3	32.9	17.4
Virginia						
Washington						
West Virginia						
Wisconsin	5,146	63.2	0	1.3	13.3	22.2
Wyoming	517	26.3	13.7	7.5	24.9	27.6

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* Unweighted mean

** NCSL calculations derived from ESEA Title VI-B Plan Amendments, U.S. Bureau of Education for the Handicapped, FY 1976.

Table I-23

Percent of Special Education Expenditures by All State And Local Agencies For Personnel Serving Handicapped Children Age 6 to 21 by Handicap Type, FY 1975*

Total	Total 100.0%	EMR 26.6%	TMR 11.6%	SLD 19.0%	ED 9.3%	OHI 3.1%	C 2.3%	VI 2.3%	SI 13.4%	HH 4.4%	D 3.8%	D-B 0.9%	OSH 3.2%
Alabama													
Alaska	100.0	18.7	10.5	37.3	8.9	5.9	4.3	1.9	5.7	2.4	3.5	1.0	--
Arizona	100.0	9.5	11.6	9.5	9.8	9.5	9.5	10.0	8.8	11.3	--	9.5	--
Arkansas													
California	100.0	19.3	9.0	28.4	1.8	7.5	3.1	--	16.5	8.7	1.2	1.2	2.8
Colorado	100.0	22.4	21.3	24.5	8.0	--	4.1	2.6	9.3	3.0	2.3	0.3	1.2
Connecticut	100.0	14.9	7.5	27.8	28.7	1.1	3.1	1.7	7.5	2.5	--	--	4.6
Delaware	100.0	15.2	12.3	28.2	20.5	2.9	3.5	1.4	4.7	4.0	2.2	0.2	4.5
Florida	100.0	31.5	17.1	17.4	10.0	2.5	0.5	1.8	11.9	--	6.0	0.3	0.5
Georgia	100.0	40.0	7.1	11.1	15.1	2.9	1.2	2.2	8.9	1.9	3.2	0.4	5.3
Hawaii													
Idaho	100.0	23.6	13.9	38.4	6.0	0.2	0.4	1.7	6.2	0.6	3.7	0.9	3.9
Illinois	100.0	17.5	4.6	20.2	7.2	2.5	1.3	2.0	12.3	4.7	19.1	0.5	7.5
Indiana	100.0	40.3	12.0	2.8	7.0	--	1.1	2.6	17.5	7.5	--	--	7.5
Iowa	100.0	29.0	12.5	14.3	10.5	2.1	2.1	4.4	10.6	11.4	2.5	1.1	6.0
Kansas	100.0	24.8	5.7	13.4	14.6	3.2	--	2.0	6.2	4.5	--	0.7	8.5
Kentucky	100.0	49.8	11.3	11.2	4.4	5.8	1.2	1.6	9.3	0.4	9.4	--	--
Louisiana	100.0	43.4	7.1	9.7	3.1	0.4	0.7	0.4	11.9	1.2	8.1	0.1	13.2
Maine	100.0	30.3	2.5	25.5	8.9	0.1	2.6	2.0	10.0	0.2	5.5	0.4	11.4
Maryland	100.0	13.6	5.7	24.9	16.5	--	4.1	0.8	28.9	4.1	0.6	--	0.3
Massachusetts													
Michigan	100.0	30.0	10.1	8.0	15.3	0.4	5.1	1.5	15.8	7.3	--	1.8	4.1
Minnesota	100.0												
Mississippi	100.0	52.1	17.4	7.0	0.5	--	0.7	2.2	10.8	5.7	--	0.7	2.3
Missouri	100.0	39.5	7.4	17.2	9.0	0.1	1.9	0.5	22.5	0.8	1.0	0.2	--
Montana	100.0	31.4	6.9	12.9	13.0	--	1.8	--	14.8	0.6	--	--	2.4
Nebraska													
Nevada													
New Hampshire	100.0	22.6	11.8	27.3	18.9	3.9	--	2.5	5.6	2.3	2.4	2.2	--
New Jersey	100.0	31.0	10.0	17.0	10.0	5.0	2.0	1.0	17.7	2.0	2.0	--	2.0
New Mexico	100.0	41.2	15.8	19.7	4.8	--	1.1	2.8	2.2	0.5	5.5	1.1	4.7
New York	100.0												
North Carolina	100.0	49.1	16.8	6.8	1.9	1.1	1.8	1.5	7.9	0.8	8.9	0.9	1.9
North Dakota	100.0	26.0	11.3	17.9	4.1	4.3	8.3	0.9	24.5	0.2	--	--	0.1
Ohio													
Oklahoma	100.0	43.4	5.8	23.9	0.9	1.6	0.8	2.1	6.7	11.4	--	1.7	1.1
Oregon	100.0	24.6	13.3	20.8	8.7	0.5	2.7	2.6	12.9	--	10.4	0.8	2.4
Pennsylvania	100.0	28.2	22.8	15.7	10.4	--	4.9	2.8	5.8	2.1	3.7	--	--
Rhode Island													
South Carolina													
South Dakota													
Tennessee	100.0	23.0	10.9	19.4	14.3	5.2	1.5	3.9	2.0	1.6	5.5	0.6	5.6
Texas													
Utah													
Vermont	100.0	33.4	8.0	18.6	--	5.0	--	0.4	8.1	1.2	6.5	0.6	17.6
Virginia													
Washington													
West Virginia													
Wisconsin													
Wyoming	100.0	22.1	1.6	35.5	13.5	0.1	0.1	1.1	5.6	0.9	2.9	0.8	15.1

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* NCSL calculations derived from ESEA Title VI-B Plan Amendments, U.S. Bureau of Education for the Handicapped FY 1976.

Table I-24

Distribution of Expenditures for Special Education Personnel by Servcie Category Relative to the Distribution of Handicapped Children Age 6 to 21 Receiving Special Education By Service Category, All State and Local Agencies, FY 1975**

	BASE	EMR	TMR	SLD	ED	OHI	C	VI	SI	HH	D	Other
Total	100	131	256	103	166	150	147	240	31	307	543	244
Coefficient of Variation	0%	33%	52%	39%	81%	93%	92%	88%	50%	68%	58%	N.C.*
Alabama												
Alaska	100	131	71	90	318	91	578	317	32	267	583	1000
Arizona	100	59	219	55	233	44	864	909	29	565	--	9500
Arkansas												
California	100	222	231	114	215	208	--	--	30	512	133	667
Colorado	100	255	666	86	43	--	65	104	32	143	92	367
Connecticut	100	151	214	98	135	183	35	131	27	179	--	124
Delaware	100	85	308	145	128	145	206	200	14	386	314	247
Florida	100	131	356	89	143	167	33	257	31	--	400	800
Georgia	100	94	254	85	260	153	200	244	29	173	457	5800
Hawaii												
Idaho	100	153	273	116	130	200	133	106	17	150	463	267
Illinois	100	100	105	119	153	417	65	333	26	261	--	125
Indiana	100	165	240	147	259	--	220	433	28	536	--	341
Iowa	100	167	245	157	284	700	700	1100	18	489	250	1014
Kansas	100	116	150	56	149	62	--	182	20	180	--	1022
Kentucky	100	153	305	162	293	200	300	320	19	200	338	--
Louisiana	100	198	254	194	282	36	233	200	21	300	156	261
Maine	100	175	64	74	141	14	104	125	32	67	688	1686
Maryland	100	97	146	71	971	--	586	160	99	373	120	4
Massachusetts												
Michigan	100	139	266	75	256	200	510	136	34	279	--	347
Minnesota												
Mississippi	100	127	300	104	--	--	140	275	25	300	--	1500
Missouri	100	154	117	161	225	14	190	250	45	200	250	--
Montana	100	168	230	77	76	--	164	--	37	60	--	218
Nebraska												
Nevada												
New Hampshire	100	97	142	90	140	91	--	179	39	105	171	275
New Jersey	100	261	185	101	152	208	222	100	34	154	500	154
New Mexico	100	106	223	73	92	--	100	255	18	71	306	149
New York												
North Carolina	100	125	305	53	83	46	100	150	24	200	890	560
North Dakota	100	197	538	66	59	239	755	180	55	10	--	100
Ohio												
Oklahoma	100	151	181	95	53	55	100	150	24	200	890	560
Oregon	100	218	302	55	132	36	193	433	38	--	650	533
Pennsylvania	100	124	228	171	289	--	258	187	17	117	529	--
Rhode Island												
South Carolina												
South Dakota												
Tennessee	100	151	383	63	159	130	79	217	27	160	917	207
Texas												
Utah												
Vermont	100	167	286	61	--	135	--	40	31	60	500	143
Virginia												
Washington												
West Virginia												
Wisconsin												
Wyoming	100	246	43	89	193	3	33	52	19	16	414	7950

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* Not Calculated.

** KCSL calculations: ratio of percent distribution of personnel costs to precent distribution of service.

Table I-25

Special Education Service Rates By Selected State, FY 1972 and FY 1975

	Number of Handicapped Children Age 6 to 21 Estimated By All Agencies				
	Total FY 1972[a]	Percent Of Public Enrollment FY 1972	Total FY 1975[b]	Percent Of Public Enrollment FY 1975	Percent Change In Share Of Public Enrollment FY 1972-FY 1975
Total	6,533,617	13.7%	4,716,659	13.1%	-4.4%
Alabama	110,089	13.4	--	--	--
Alaska	5,050	5.2	13,165	15.3	194.3
Arizona	40,059	8.0	61,764	12.7	81.4
Arkansas	121,561	26.4	--	--	--
California	537,896	10.6	514,725	11.6	9.4
Colorado	75,801	12.6	123,760	21.8	73.0
Connecticut	88,016	12.5	95,018	16.7	33.6
Delaware	15,722	11.3	16,296	12.5	10.6
Florida	139,423	8.7	224,851	13.3	52.9
Georgia	129,884	11.4	131,478	12.2	7.0
Hawaii	19,650	10.6	17,658	10.0	-5.7
Idaho	36,561	18.7	23,212	12.4	-33.7
Illinois	255,381	10.6	410,234	17.9	68.9
Indiana	146,061	11.7	170,174	14.3	22.2
Iowa	94,731	13.9	89,367	14.5	4.3
Kansas	54,566	10.1	62,069	13.9	37.6
Kentucky	78,386	10.3	108,905	15.5	50.5
Louisiana	122,344	14.0	130,000	15.4	10.0
Maine	30,726	12.4	36,722	15.0	21.0
Maryland	123,339	12.9	130,048	14.5	12.4
Massachusetts	107,912	8.5	134,335	11.2	31.8
Michigan	288,297	13.0	215,400	10.0	-23.1
Minnesota	122,565	13.2	--	--	--
Mississippi	115,906	21.3	108,394	21.1	-0.9
Missouri	221,578	20.4	159,747	16.3	-20.1
Montana	23,600	13.1	20,606	12.0	-8.4
Nebraska	93,568	27.5	34,550	10.8	-60.7
Nevada	13,640	8.7	--	--	--
New Hampshire	19,374	11.4	25,663	14.7	28.9
New Jersey	231,055	15.0	211,258	14.4	-0.4
New Mexico	53,126	17.5	54,510	20.3	16.0
New York	372,811	10.4	141,056	4.1	-60.6
North Carolina	172,433	14.4	210,533	17.9	24.3
North Dakota	47,215	31.2	22,972	17.2	-44.9
Ohio	335,898	14.3	--	--	--
Oklahoma	144,586	22.4	87,088	14.6	-34.8
Oregon	48,044	9.6	97,161	20.4	112.5
Pennsylvania	257,370	10.6	319,000	14.0	32.1
Rhode Island	39,475	20.0	--	--	--
South Carolina	106,505	16.4	116,637	18.7	14.0
South Dakota	17,795	10.4	15,025	11.7	12.5
Tennessee	131,903	14.1	134,449	15.4	9.2
Texas	776,231	27.5	--	--	--
Utah	44,055	13.2	53,958	17.6	33.3
Vermont	20,631	17.6	21,704	20.6	17.0
Virginia	146,748	13.2	--	--	--
Washington	79,294	9.6	45,785	8.5	-11.5
West Virginia	80,504	19.2	--	--	--
Wisconsin	148,428	14.3	112,402	11.5	-19.6
Wyoming	18,475	20.0	13,980	18.1	-9.5

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a. NCSL calculations derived from unpublished data from the U.S. Bureau of Education for the Handicapped.

b. NCSL calculations derived from ESEA Title VI-B, State Plan Amendments, of the U.S. Bureau of Education for the Handicapped, FY 1976.

Table I-26

School Age (6 to 21) Handicapped Children Served and Unserved in Special Education, FY 1975

	School Aged (6 to 21) Handicapped Children, FY 1975					
	Served					
	Total*	SEA-LEA**	Other	Unserved	Total	Percent Unserved
Total***	2,861,007	1,653,716	87,113	1,833,008	4,672,062	39.2
Alabama						
Alaska	12,613	11,863	750	552	13,165	4.2
Arizona	37,095	27,757	9,338	24,669	61,764	39.9
Arkansas	22,023	18,431	3,592			
California	315,461			199,264	514,725	38.7
Colorado	87,166	77,472	9,694	36,594	123,760	29.6
Connecticut[e]	66,781	64,363	2,418	28,237	95,018	29.7
Delaware	15,780	15,780	0	516	16,296	3.2
Florida[c]	120,078	117,890	2,188	60,176	180,254	33.4
Georgia	99,746	97,935	1,811	31,732	131,478	24.1
Hawaii	13,477	13,477	0	4,181	17,658	23.7
Idaho	14,380	12,571	1,809	8,832	23,212	38.0
Illinois	220,415			189,819	410,234	46.3
Indiana[a]	74,936	72,526	2,410	95,238	170,174	56.0
Iowa[b]	42,390	42,390	0	46,977	89,367	52.6
Kansas	31,084	23,614	7,470	30,985	62,069	49.9
Kentucky	46,024	44,661	1,363	62,381	108,905	57.7
Louisiana	76,222	76,222	0	53,778	130,000	41.4
Maine	23,526	22,187	1,339	13,196	36,722	35.9
Maryland	77,520	N.R.	N.R.	52,528	130,048	40.4
Massachusetts	97,905	96,426	1,479	36,430	134,335	27.1
Michigan	180,783			32,617	213,400	15.3
Minnesota						
Mississippi	28,356	26,488	1,868	80,038	108,394	73.8
Missouri	93,497	89,199	4,298	66,250	159,747	41.5
Montana	13,722	12,811	911	6,884	20,606	33.4
Nebraska	25,910	25,910	0	8,640	34,550	25.0
Nevada						
New Hampshire	8,160			17,503	25,663	68.2
New Jersey	119,295			91,963	211,258	43.5
New Mexico	11,370	8,498	2,872	43,140	54,510	79.1
New York	124,994	119,209	5,785	16,062	141,056	11.4
North Carolina	98,315	94,179	4,336	112,018	210,333	53.2
North Dakota	10,925	10,452	473	12,047	22,972	52.4
Ohio						
Oklahoma	47,719	45,063	2,656	39,369	87,088	45.2
Oregon	40,578	38,225	2,353	56,583	97,161	58.2
Pennsylvania	188,957			130,043	319,000	59.2
Rhode Island						
South Carolina	76,335	66,953	9,382	40,302	116,637	34.6
South Dakota	5,995	4,722	1,273	12,030	18,025	66.7
Tennessee	124,511	124,511	0	9,938	134,449	7.4
Texas						
Utah	43,874	43,874	0	10,084	53,958	18.7
Vermont	6,799	5,158	1,641	14,905	21,704	68.7
Virginia						
Washington[c]	29,262	29,262	0	16,523	45,785	36.1
West Virginia						
Wisconsin	77,241	73,637	3,604	35,161	112,402	31.3
Wyoming	9,657			4,323	13,980	30.9

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a. Children 6 to 8

b. Children 5 to 21

c. Children Pre-K to 12th Grade

d. LEA only

e. Children 6 to 21 for all agencies except education which includes children 5 to 18

f. FY 1976 data, FY 1975 not reported. Does not include physically or behaviorally handicapped children in "additional programs".

* From State Summary Forms: ESEA Title VI-B State Plan Amendments, Bureau For the Education of the Handicapped, FY 1976.

** From Agency Summary Forms: ESEA Title VI-B State Plan Amendments, Bureau For the Education of the Handicapped, FY 1976

*** Only from states from which data is available.

Table I-27

Estimated Special Education Expenditure, FY 1975, And State Education Agency Estimated Special Education Expenditure Required to Serve All Handicapped Children*

	Special Education Expenditure Allocated To Children Age 6 to 21		
	Amount FY 1975	Amount Needed To Provide Full Service	Percent Over FY 1975 Needed To Provide Full Service
Total	$4,760,695,213	$9,253,719,535est.	94.3%
Alabama			
Alaska	12,137,000	39,032,000[a]	221.6
Arizona	71,605,117	125,718,562	75.6
Arkansas	36,061,000	N.R.	--
California	1,541,400,000	2,788,000,000	80.9
Colorado	82,364,500	113,165,000	37.4
Connecticut	71,305,000	169,104,800	137.2
Delaware	20,600,000	36,860,000	78.9
Florida	137,483,000	258,408,000	88.0
Georgia	54,375,000	127,037,000	133.6
Hawaii	9,646,419	23,363,280	142.2
Idaho	13,734,000	56,779,000	313.4
Illinois	178,739,000	466,408,000	160.9
Indiana	54,991,000	193,587,000	252.0
Iowa	36,447,000	120,148,000	229.7
Kansas	39,343,000	123,844,000	214.8
Kentucky	27,132,700	117,567,000	333.3
Louisiana	56,209,200	155,794,000	177.2
Maine	11,960,255	22,137,000	85.1
Maryland	86,366,000	140,000,000	62.1
Massachusetts	284,670,000	330,650,000	16.2
Michigan	145,598,279	291,981,298	100.7
Minnesota			
Mississippi	18,585,002	N.R.	--
Missouri	164,137,000	407,183,000	148.1
Montana	9,048,000[b]	18,381,000[b]	103.1
Nebraska	17,631,000	35,925,000	103.8
Nevada			
New Hampshire	2,475,144	53,811,524	2,074.1
New Jersey	231,384,000	642,736,000	177.8
New Mexico	14,251,000	48,909,000	243.2
New York	365,898,631	N.R.	--
North Carolina	51,351,000[d]	115,575,000[d]	125.1
North Dakota	8,124,000	30,695,000	277.8
Ohio			
Oklahoma	35,715,000	103,760,000	190.5
Oregon	30,525,000	106,075,000	247.5
Pennsylvania	201,069,000	621,366,000	209.0
Rhode Island			
South Carolina	45,915,900	68,675,000	49.6
South Dakota	4,167,000	13,220,000	217.3
Tennessee	434,666,000	571,218,000	31.4
Texas			
Utah	17,144,500[c]	45,958,000	168.1
Vermont	7,472,000	47,345,000	533.6
Virginia			
Washington	39,641,095	56,500,000	42.5
West Virginia			
Wisconsin	76,272,476	116,012,071	52.1
Wyoming	13,145,000	28,791,000	119.0

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a. SEA and LEA's only

b. Generally does not reflect facility expenditure

c. For FY 1976. FY 1975 data not reported.

d. State only.

*NCSL Calculations derived from ESEA Title VI-B, State Plan Amendments of the U.S. Bureau of Education for the Handicapped, FY 1975.

Chapter II

STATE AID FOR SPECIAL EDUCATION: THE DEBATE OVER RULES WHICH DETERMINE WHO GETS WHAT, WHEN, AND HOW

Introduction

Throughout the post-Mills era, states have been under mounting pressure not only to assume greater responsibility for funding special education, but also to change the rules for distributing and allocating available revenues -- the rules which determine who gets what, when, and how. Pressure for changes in the rules comes from many different directions: special education advocacy groups, state legislatures, state education agencies, local school districts, special education finance study commissions, and the courts all have demanded revisions. Thus far, however, there has been little agreement over what types of changes are necessary and, equally important, how they would work.

Nationwide, there has been widespread controversy over two types of rules: (1) the statutes and regulations which govern the distribution of special education aid to school districts; and (2) the laws and bylaws which control the allocation of state aid and other revenues to programs for handicapped children. This chapter analyzes the major policy issues which have emerged from attempts to change the rules in each area, drawing on a wide range of empirical and normative research to probe their validity and prospects for resolution. Its conclusions are as follows:

> Efforts to revise rules governing the distribution of state aid for special education usually generate debate over four issues: (1) the value of categorical restrictions on the use of aid; (2) the need for administrative discretion in determining aid payments; (3) the criteria used for calculating aid payments; and (4) the timing of aid payments. There is relatively little research, however, which systematically confirms or denies many of the allegations which generally emerge in the debate over these issues.
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> Contrary to many claims, there is little systematic evidence that categorical grants lead to inherently different aid distributions than non-categorical grants. If different distributions occur, it is more likely the result of administrative practices than the product of theoretical differences between categorical and non-categorical grants.
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> Similarly, there is little evidence which proves that disbursing special education aid through discretionary grants leads to fundamentally different distributions than channeling it through formula grants. It is clear, to be sure, that discretionary grants often are skewed in favor of certain types of school districts. It remains to be seen, however, whether substituting formula grants for discretionary grants will make a major difference not just in local aid entitlements but in actual local aid utilization. Indeed, if previous research on federal aid to education is any indicator, a major determinant of aid utilization may not be the donor's disbursal decisions, but the recipients' service priorities and aid seeking behavior.

One of the major areas of disagreement over aid distribution rules is the criteria used to determine local education agency aid entitlements. Special education aid can be provided to local education agencies on the basis of teacher units, excess costs, personnel costs, pupil costs and many other criteria. Arguments over entitlement mechanisms, however, often are related less to differences over their effect on the distribution of revenue to local education agencies than to differences over their impact on the allocation of revenue to handicapped children. Many child advocacy groups, for example, believe that distributing aid on the basis of pupil costs or weights is likely to encourage the placement of children in service categories related not so much to their educational needs but to the capacity of those in categories to generate more state aid. Recent research, however, suggests that the allocational impact of aid entitlement criteria may not prove to be what often has been expected. Studies of Florida's new pupil weighting system, for example, fail to reveal any consistent shift of pupils from regular classes to special classes or from special class categories that carry a low aid weight to categories that carry a high aid weight. To be certain, some districts have made efforts in this direction, but others have not. Moreover, there is evidence that early abuses are being corrected to a substantial degree by Florida's increasingly powerful and innovative education management information system.

While the effects of changing aid distribution rules are not well known in many areas, it is becoming fairly apparent that the consequences of changing aid timing can be predicted with substantial accuracy. As a general rule, the shorter the lag between the time expenditures are incurred and the time aid is paid, the more likely it is that local education agencies will avail themselves of state support. And the poorer local education agencies are, the more critical quick aid payment becomes.

While important, rules controlling the distribution of special education aid to school districts have been much less at issue in recent years than rules governing the allocation of revenues to special class programs. Proposals for changing allocation rules have generated a great deal of controversy for basically two reasons. First, some have feared that the new rules would reallocate revenues away from regular classes to special classes. Second, and much more important, many proposals for changing the allocation rules would require local education agencies to follow procedures for screening, evaluating and serving handicapped children which are far more rigorous than those currently in force.

Traditionally, local education agencies have been allowed a great deal of leeway not only in deciding who is handicapped, but also in determining how handicapped children are to be served in special classes. But as many studies have revealed, this leeway frequently has been abused and has allowed large numbers of handicapped children to go unserved or to be consigned to classes where very little education takes place. To remedy this problem, most child advocacy groups have recommended that states establish detailed procedural safeguards which: (1) spell out how all children are to screened and evaluated for possible handicaps; and (2) define what types of service are appropriate for children with handicapping conditions of varying severity. Proposals for safeguards of this sort, however, have been questioned on several grounds. Many public school officials have insisted that they are likely to result only in more "red tape", not improved services. Some researchers have wondered whether they will encourage too much responsiveness and not enough accountability. But perhaps most important of all, some have pointed out that improved procedures for ascertaining children's educational needs may not make too much difference so long as there

> is deep-seated division over what types of educational services many handicapped children actually require.
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> Some who had doubts about the likely effectiveness of more specific procedural safeguards argue that handicapped children will be vulnerable to inadequate and inappropriate service until states are able to develop more specific definitions of handicapping conditions which are tied much more closely to service requirements than at the present time. A great deal of evidence, however, suggests that efforts to implement better service definitions or improved service procedures are likely to be confounded by sharp disagreements over three issues: (1) the bounds of special education; (2) the consequences of placing handicapped children in regular classrooms; and (3) the lines of authority over special education services.

Aid Distribution Issues

Efforts to revise laws and regulations governing the distribution of state aid for special education to local education agencies usually generate debate over four issues: (1) the value of categorical restrictions on the use of state funds; (2) the need for administrative discretion in determining aid payments; (3) the criteria used for calculating recipient aid entitlements; and (4) the timing of aid payments.

Categorical Versus Non-Categorical Aid. Debate over the merits of distributing special education aid through categorical or non-categorical grants usually involves two questions:

(1) Which method assures the more efficient allocation of available funds?

(2) Which method is more consistent with: (a) the goal of minimizing the use of stigmatizing labels in identifying handicapped children; and (b) the objective of integrating handicapped children in the "least restrictive" educational environment?

Most discussions of these questions involve more guesswork than hard research. Opponents of categorical grant programs frequently assert that they too often provide an incentive for local aid use that is related much more to a desire to obtain additional funds than a need to provide a given set of services. As the report of the Fleischman Commission points out:

> Before 1962 New York did provide catetorical aid for . . . (handicapped) children, but . . . abolished that practice in favor of general state aid for all children.
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> Part of the justification for that action was that past practice had run the risk of at least district overprogramming. When categorical aid is given, it was argued, districts may needlessly place some children in special class or special schools in order to gain additional monies.[1]

While opponents of categorical grants emphasize their potential for placing too many children in special classes, opponents of non-categorical grants emphasize their potential for undermining services for handicapped children. One of the most exhaustive studies of state special education funding practices thus far summed up this viewpoint as follows:

> With a noncategorical funding approach . . . funds . . . are included in the agency's general school revenues and are not identified as special education funds . . . If the agency has different priorities than the funding agency, the operating agency may legitimately (but unfortunately for special education) reallocate funds intended for special education to other educational programs. Furthermore . . . there is no way to match accurately the revenues and expenditures for special education.[2]

Like a great deal of research on federal and state grant programs for other purposes, a small number of recent studies on federal and state special education aid suggest that much of the debate over the merits of categorical and non-categorical grants is academic. Research on the 1968 amendments to the federal Vocational Education Act, for example, shows that a categorical grant program for special education may breed a variety of recipient responses.[3] Under these amendments, states must set-aside 10 percent of their federal aid for vocational education for programs designed to benefit handicapped children. Contrary to the hopes of some and the fears of others, however, a recent General Accounting Office study indicates that this reserved funding has not stimulated a broad scale increase in vocational services for handicapped children. Nationwide, state and local government spending in 1973 for Vocational Education Act handicapped programs amounted to $1.10 for each $1.00 of federal aid. But in some states, the response pattern of state and local spending was much different. Some states used the 10 percent set-aside without spending a cent of their own funds. And still other states systematically reduced funds from their sources as funds from Washington became more plentiful.[4]

More pointed evidence about the consequences of categorical and non-categorical grant programs can be found in a number of recent studies on the implementation of new state aid programs in Florida, New Mexico and Utah which distribute dollars to local school districts through so-called "pupil weighting" systems.[5] As these studies point out, pupil-weighting systems theoretically provide a strong inducement to operate special education programs since they pay considerably greater amounts of aid for each pupil classified as handicapped than for pupils placed in most other programs. The effect of this inducement, however, has been quite mixed.

Data analyzed by the National Conference of State Legislatures shows that the availability of special education services in some school districts has remained at the same level after the implementation of pupil weighting as before --

and not infrequently that level was far below what might be expected from state and national studies on the prevalence of special education needs.[6] In other school districts, however, pupil weighting seems to have fulfilled the worst fears of those who oppose categorical programs on the argument that they promote "grantsmanship" activities unrelated to true local educational needs. Following a survey of local response to pupil-weighting, the Florida Department of Education reported in a recent study that:

> An increased incentive to identify and classify students as exceptional was reported by an average of 53 percent of all positions in all districts. Because exceptional students generate more funds than basic classroom students, 52 percent of the diagnostic personnel interviewed reported receiving pressure from the principals to identify as many students as possible . . . Several temporary placements in exceptional classes were made in 70 percent of the districts without properly completed identification and classification diagnostic procedures, as reported by the school psychologists. 33 percent of the speech therapists reported that several students were added to their case loads on a temporary basis without proper diagnosis, but with diagnosis planned at a later date.[7]

Two caveats, however, must be kept in mind when interpreting the findings of the Florida Department of Education study. First, they are based on a study conducted only a year after the implementation of the pupil-weighting system, thus, may reflect the problems of implementing a major piece of new legislation as much as the strengths or weaknesses of a particular categorical grant system for special education. Second, Florida implemented its pupil-weighting system before it had fully developed an associated management information and accounting system. Reports from Florida at the present time indicate that this system is now developed to the point that local school systems are much less inclined to take unfair advantage of the well-above-average aid available to children classified in programs for the handicapped.

The debate over the merits of categorical and non-categorical grants raises questions not only about fiscal allocations but also about educational and social consequences. Non-categorical grants, inherently, eliminate any need to label handicapped children or, relatedly, any fiscal reason to assign them to segregated classrooms. Categorical grants, however, can encourage improper use of labels in classifying handicapped children and may abet the use of segregated classes rather than integrated or "mainstreamed" classes. This depends on the degree to which dollars must be tied to individual children or types of children.

While speculation is abundant, hard data on the educational consequences of tying categorical dollars to specific handicapping conditions is very scanty and focuses mainly on states that have implemented special education aid formulas which operate on a pupil-weighting basis.

Reports from New Mexico and Utah, for example, indicate that their pupil-weighting systems have encouraged some school districts to classify pupils with handicapping conditions primarily in the special education aid categories that yield the greatest state revenues.[8] The most compelling evidence, however, comes from Florida.

Under Florida's pupil-weighting system adopted in 1973, pupils receiving special education services earn from 2.3 to 15.0 times as much state aid per full-time-equivalent student as pupils in basic programs in grades 4 through 10, with the greatest amounts of special education aid going to handicapped pupils served in self-contained classrooms. The result, according to the Florida Department of Education, has been a "definite tendency to assign exceptional students to full-time, self-contained classrooms instead of attempting to integrate them into part-time basic classroom situations . . . ."[9] In a survey of local school district personnel, the Florida Department of Education found that 12 percent of all principals interviewed "reported that they had received direct pressure from 'above' to retain children in full-time classes rather than place them in resource room situations."[10] Florida law, however, requires that "No student shall be segregated and taught apart from normal students until . . . evidence . . . indicates that segregation would be for the student's benefit and is necessary because of difficulties involved in teaching the student in a regular class."[11]

Formula Versus Discretionary Distribution. Debate over special education aid systems divides not only over the merits of categorical versus non-categorical grants, but also over the advantages of formula grants versus discretionary grants. Although most special education aid is distributed on a formula basis, some, especially the federal component, is apportioned on the basis of discretionary judgements made by state education agencies. Quite naturally, localities that do well under discretionary grant systems would like to see them perpetuated; those who do not, would like to see them replaced with formula grants.

Debate over the allocational consequences of formula and discretionary grants has surfaced regularly in legislative deliberations over special education aid and was especially evident during the development of the new federal Education for All Handicapped Children Act.[12] Throughout Congressional consideration of this legislation there were repeated efforts by some interests to insure that federal aid for handicapped education would be "passed-through" to local education agencies simply on a population basis. Other interests, however, fought to maintain the distribution of federal aid for handicapped education as it had existed for some years -- through local application to state education agencies.[13]

The debate over how to distribute federal aid for handicapped education, in part, reflected nothing more than an enduring power struggle between spokesmen for local interests like the National School Boards Association and representatives of state interests like the Council of Chief State School Officers. But more was at issue than simple power. Some groups like the Council of Great City Schools and the Council for Exceptional Children argue that a pass-through formula would provide funds for special education to communities which, in their view, had not been fairly treated under previous federal programs. Moreover, some of these same groups saw the pass-through formula as a wedge with which they force local education agencies to be more responsive to the needs of handicapped children. Other groups favoring an essentially discretionary approach, however, argued that a "pass-through" would not enable state education agencies to target dollars where they were most needed and, equally important, would fail to recognize that local education agencies differed widely in their ability to fund special education services from their own resources. Responding to these conflicting views, the Congress ultimately developed a compromise distribution system which passes-through

75 percent of the federal dollars to local education agencies on a population/service cost basis and reserves 25 percent of the funds for categorical use by state education agencies. Existing evidence makes it difficult to project the allocational consequences of this distribution strategy.

Aside from purely anecdotal evidence, there is virtually no research which deals directly and systematically with the distributional consequences of distributing special education aid on a pass-through basis versus a formula basis. The literature on this subject appears limited to two studies done by the Exotech Corporation for the U.S. Bureau for the Education of the Handicapped. Focusing on federal P.L. 91-230 Part B funds, these studies suggest that it may be more cost-effective to inject federal dollars for special education at the state level for subsequent distribution rather than at the local level for direct consumption. As one review of these studies cautions, however, this finding should be viewed with great caution for two reasons: first, both studies were unable to develop very satisfactory operational measures of cost-effectiveness: and second, both studies examined the federal aid program at a time when the number of dollars involved was so small that it was very difficult to discern their effects independent of larger influences.[14]

The Basis for Aid Entitlements. Those who favor the idea of distributing special education aid on a formula basis often hold very different views on the most appropriate formula. Some favor operating formulas on the basis of weights, others endorse percentage reimbursement, personnel costs, program costs, excess costs or combinations of criteria.

Differences of opinion over the optimal way to determine special education aid entitlements are linked to a variety of considerations. These include their potential effects on "labelling," expenditure levels, class size, participation of small school districts, and the availability of integrated or mainstreamed instruction. Thus far, however, very few researchers have attempted to sort out these relationships.

In the most comprehensive look at the subject to date, Thomas intimates that the actual impact of any entitlement system depends less on its general form than on the specific manner it is implemented.[15] The effect of unit funding, for example, will vary depending on the presence or absence of factors which allow pro-rating of funds between handicapped and non-handicapped pupils. Much in the same vein, it will vary contingent on the inclusion or exclusion of funding growth limitations. Similarly, the impact of excess cost reimbursement is likely to be highly dependent on absolute dollar limitations or the manner in which excess costs are defined and audited. And so forth.

Efforts to sort out the impact of various entitlement systems are complicated not only by the problem of having to distinguish between these systems in concept and practice, but also by a lack of reasonably reliable data. Comprehensive data on special education personnel, pupils, services and finances in many states simply are not available on a local education agency basis. And where they are available, they often are collected either without the benefit of a uniform accounting system or on an unaudited basis.

Several states are now making a concerted effort to overcome this problem, in part bacause of the information requirements of federal aid legislation and in part because of the growing desire of state legislatures to have data which permits them to maintain an active role in overseeing educational expenditures for all purposes. Minnesota and Iowa, for example, are now in the throes of implementing complex uniform accounting systems which will provide information about special education services at the local level on a program basis. Movement in this direction, however, will be hampered by two factors. One is the technical problem of developing personnel at the local level, particularly in very small school districts, who have the expertise necessary to provide high quality information. The other is the recognition by many local school districts that providing better information opens the door to much greater outside scrutiny, not only by the state but by a broad array of educational interest groups. Accordingly, it is possible not only that researchers will never have the data necessary to sort out the merits of various entitlement systems, but also that the lack of certain data will have a substantial constraint on the type of special education aid systems actually used. As one recent report to the Minnesota Department of Education states:

> The decision as to the type of funding model to be used has at least two dimensions. One, of course, is the effect upon the program delivery system and the services available to children. However, another consideration, and possibly an often overlooked consideration, is the method of administration required by the formula.[16]

Aid Timing. Another factor which enters into debates over special education aid systems is the problem of grant flow timing. Not uncommonly, states provide aid for special education and aid for other local school services on a lagged basis, characteristically on the expenditure levels of the previous year. Given the high start-up costs of many special education programs, it has been alleged quite frequently that lagged aid payments may act as a brake on the development of proper services, and particularly in relatively poor school districts that cannot afford to gamble on the level of a subsequent year's state funding nearly to the degree as affluent districts. Similarly, it has been argued that state aid timetables may discourage proper services for handicapped children to the extent that they deny support for children placed in special classes after certain fixed dates -- usually the dates used for fixed official attendance counts.

Research on the likely or actual consequences of special education aid timing is fairly abundant and gives strong support to the proposition that local school districts' proclivity to offer special education services is linked very strongly to the presence of "cash on the barrelhead." Barro's theoretical analysis of categorical grant reimbursements, for example, confirms the idea that rich school districts are much more likely to be risk-takers than poor districts in undertaking programs that will not receive state support until a subsequent year.[17] Similarly, an empirical analysis of Florida's special education aid system shows that school districts are likely to respond to deadlines for establishing aid eligibility in two different ways. Some will simply fail to serve any students not qualified in time to receive aid. Others will take the equally undesirable course of placing children in classes for the handicapped who have not been properly diagnosed simply to insure state support in the event the evaluation proves positive.[18]

Revenue Allocation Issues

Debate over rules for dividing special education aid among school districts has been confined largely to state and local education policymakers. Controversy over rules for allocating aid and other revenues to programs for handicapped children, however, has been much more widespread. This has been the case for two important reasons. First, there has been widespread fear among some that new rules for allocating revenues to programs for handicapped children may result in handicapped children getting a larger share of a relatively slow-growing supply of public school revenue. But much more important, many proposals for changing the allocation rules involve new and sometimes untried ideas which tend to require many basic changes in three highly sensitive areas: (1) procedures for ascertaining the needs of handicapped children; (2) access of handicapped children to the regular classroom environment;

(3) boundaries between school and non-school agencies.

Procedural Requirements

As a growing number of studies have documented, local education agencies often consign handicapped children to classrooms which are poorly staffed, poorly funded, and unrelated to their real educational needs. To prevent this from happening in the future, child advocacy groups and others have lobbied with increasing vigor for rules and regulations which spell out detailed and rigorous procedures for screening, identifying, evaluating, and ultimately allocating resources to children suspected to have handicapping conditions. The likely effectiveness of these procedures, however, is a matter of considerable debate. Taking a fairly optimistic view, one prominent civil rights attorney argues:

> At this point in time, the issue of such fair procedure will insure adequate education remains, untested. . . .
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> We can be reasonably sure, however, that such procedure, operating in lockstep with the right to some education, will serve as prophylactic against the worst education malpractices . . . public policy makers, teachers, families, and students by procedural fairness in the school classification process insures that schools will begin to attend precisely to real rather than imagined needs. The entire system of delivering educational services will become the subject of special attention.[19]

Some lawyers and educational experts see much less reason for optimism. McClung, for example, asserts that "it is likely that many children will find that a full panoply of procedural safeguards complete with the necessity for periodic re-evaluations does not in fact result in a minimally adequate education."[20] Budoff makes much the same point. In his words:

> The myth . . . persists that a carefully defined plan, stated in explicit behavioral objectives, will somehow define meaningful immediate and and longer-term goals for the child and, *ipso facto*, dictate the child's educational program. The useful analytic exercise, for it forces the assessment staff to specify the critical attainments that would represent progress for the child . . . Specification, however, does not necessarily lead to identification of the most appropriate goals. Until the general conceptual gaps are closed, the goals selected for the child may simply not be the most appropriate ones.[21]

Those who question the need for more elaborate procedural requirements offer several alternatives. Budoff, for example, argues that adequacy can be defined most effectively through constant but considered pressure from special education advocacy groups. Advocates operating at the state level, he suggests, should maintain "an aggressive posture in the political arena."[22] Advocates working at the local level, though, "must achieve a subtle balance, using their position outside the bureaucracy to help press for resources and programs . . . while being mindful of the bureaucratic paralysis that may ensue if the pressure makes educators overly defensive."[23]

Another approach to defining service adequacy is offered by some legal scholars. McClung, for example, contends that substantive definitions of adequacy can be developed out of existing state laws and court decisions on equal protection, minimum protection, and the "right to treatment" specified in Wyatt v. Stickney, Rouse v. Cameron and related cases.[24] The problem, McClung insists, is not a lack of precedent but steering a course between definitions which improperly stifle either accountability or responsible experimentation.[25] An increasing body of research, however, shows rather persuasively that efforts in this direction will be confounded by three major problems: (1) establishing the bounds of special education; (2) resolving major divisions of opinion over special education delivery methods; and, (3) delineating lines of authority over the provision of special education.

The Bounds of Special Education. The term "special education" has [redacted] concise definition limiting its objectives or field of function. In practice, it connotes a complex composite of many interrelated educational and non-educational services which are offered to children and adults who are thought to be disabled or handicapped by a wide range of physical, mental, economic, or social factors. Under most state special education laws, local education agencies are required to supply or obtain educational and related services for children who are "retarded," "hard of hearing," "deaf," "speech impaired," "visually handicapped," "emotionally disturbed," "orthopedically impaired," "learning disabled," or "other health impaired." Nevertheless, there are profound differences of opinion not only over what characteristics should be subsumed under many of these categories, but also and more basically over the very existence of the categories themselves.

Conflicts over service boundaries are especially well-drawn in two areas, learning disabilities and mental retardation. The debate over the bounds of learning disabilities among educational professionals is of longstanding. In 1968, for example, one educational researcher noted that there was little agreement even over the terms used to describe learning disabilities.[26] Reflecting this lack of consensus, most state laws and regulations governing services for learning disabled children are quite inexplicit about what behavioral characteristics are involved. One definition paraphrased in many state laws, for example, states that

> Children with special learning disabilities exhibit a disorder in one or more of the basic

> psychological processes involved in understanding or using spoken or written language. These may be manifested by disorders of listening, thinking, talking, reading, writing, spelling, or arithmetic. They include conditions which have been referred to as perceptual handicaps, brain dysfunction, dyslexia, developmental aphasia, etc. They do not include learning problems which are due primarily to visual, hearing, or motor handicaps, to mental retardation, emotional disturbance, or to environmental disadvantage.[27]

Lacking any clearcut agreement on what learning disabilities encompass, many public policymakers have been inclined to support legislation which restricts services in this area. Some states and the federal government as well have set ceilings on the percentage of handicapped children who can be served for learning disabilities. This practice, however, has come under increasing attack by learning disability lobby groups and may be subject to court challenge on several grounds, especially the *Lau* precedent.[28]

The growing interest in services for learning disabled children is attributed by some to a growing reluctance on the part of parents to have their children served in classes for the mentally retarded. This reluctance, in part, appears to stem from the fact that learning disabilities are regarded as socially acceptable and non-stigmatizing while mental retardation is not -- especially in upper middle class suburbs. But it also seems to stem from an increasing awareness that learning disabilities and mental retardation can be easily confused, and relatedly, from widening doubts about the bounds of mental retardation itself.

Until the last generation, the bounds of mental retardation were generally subject to little argument. It was generally agreed that the limits and severity of retardation could be defined for all intents and purposes by "intelligence quotients" derived from standardized, "norm-referenced" tests of "intellectual ability." In most states, an "educable mentally retarded" child had an intelligence quotient between 50 and 75 and a "trainable mentally retarded child had an intelligence quotient between 30 and 50. This neat set of boundaries has been eroded markedly in recent years by two developments.

Educational researchers have become increasingly convinced that standardized tests are a relatively poor device for determining mental ability, especially if they are used as a sole criterion or if they are administered to children from low-income homes, who are members of racial minorities, or who have achieved only limited mastery of English. At the same time, many minority and child advocacy groups have become increasingly convinced that intelligence tests are nothing more than a convenient device for dispatching racial minorities to segregated classes where little or no education takes place.

As some educators and many child advocates see it, the biggest problem with standardized intelligence tests is that they fail to discriminate between children who are retarded in spite of their environment and children who are retarded because of their environment. Put another way, intelligence tests are often thought to be ineffective in distinguishing between the child who needs special education and the child who needs compensatory education. It is significant, however, that many who make this distinction fail to ask whether there is any difference between what takes place in classes for the retarded and what transpires in classes for the educationally disadvantaged. It simply is assumed that there is a difference. Hard evidence to this effect, however, is not available.

Special Education and Regular Classes. Indeed, questions about the boundaries of special education are less and less likely to be focused on divisions among special education service categories than on the fit between special education and education in general. A major force in this direction is the mounting insistence of many special education advocacy groups and some states that children receive special services in the "least restrictive" classroom setting. This idea, sometimes called "mainstreaming" or "integrated programming," has been the object of increasingly sharp debate involving parents of handicapped children, academics, educators, and public policymakers.

This controversy has three important dimensions. One is the fear of some teachers and school administrators that mainstreaming will be "disruptive." Teachers have wondered whether mainstreaming will impinge on previous collective bargaining agreements, whether it will affect who controls the selection of teaching materials, whether it will increase their class size, lengthen the school day, or require them to take courses in special education at their own expense. And much in the same vein, school administrators have asked whether mainstreaming will require them to hire new staff, whether it will limit their freedom to segregate children with behavior problems, whether it will mean more paperwork, or whether it will bring an end to the fairly common state practice of paying more state aid for children placed in self-contained classrooms than in mainstreamed situations. Questions of this sort, though, are part and parcel of implementing any new educational policy and are much less basic than other questions being raised about mainstreaming.

A second and more fundamental dimension of the mainstreaming controversy involves questions about regular class teachers' attitudes toward handicapped children and their ability to deal effectively with their disabilities. One common argument is that regular classroom teachers are unlikely to treat handicapped children fairly -- an idea which probably has been furthered by the open reservations some organized teacher groups have expressed about mainstreaming. Existing research, however, suggests that teachers may respond to handicapped children in mainstreamed classes much less consistently than might be assumed on the basis of some of their public statements.[29]

Teacher response seems likely to depend on a complex set of factors. One is the nature of the handicapping condition involved. Shotel and his colleagues, for example, show that teachers are likely to be more favorably disposed to mainstreaming for learning disabled children than for children who are emotionally disturbed or who are mildly to moderately retarded.[30] Similarly, Wechsler and his partners indicate that teachers may even discriminate among children within fairly narrow disability areas.[31] While over half of their respondents said that it would be no problem to have a child with crutches or braces in their classrooms, only about a quarter felt that they could take the same position with respect to children who had uncorrected hearing or a history of seizures. But much more is involved than just the nature of a child's handicaps. Other factors may include: (1) the attitudes toward integration held by the immediate community; (2) previous experience in working with handicapped children; (3) the availability of staff to support teachers working in an integrated setting; and (4) the character of teacher training. Research findings on the impact of these variables, however, fails to provide much comfort to policymakers looking for guidance in implementing the least restrictive environment concept.

While some reservations about mainstreaming seem to be rooted in doubts about teachers' attitudes, others are linked to questions about teachers' preparation. Special education experts are most divided over the ability of regular classroom teachers to provide meaningful instruction to handicapped children. One school of thought argues that teachers with general academic preparation plus concentrated doses of in-service special education training can work with handicapped children just as effectively as with the regular school population -- and especially so if they receive support for ancillary personnel such as aides, diagnosticians, and counsellors. Another line of thinking, in contrast, expresses serious reservations about allowing generalists to deal with children whose educational disabilities may be difficult to understand and respond to without highly specialized academic preparation. Definitive research on which point of view is more correct, however, is not available and may never be owing not only to the complexity of the issue, but also to the fact that the proponents of the opposing arguments to a great extent have built their cases on two very different philosophical and theoretical traditions. Those who argue for the competency of the generalist teacher tend to have strong ties to schools of education and their liberal arts traditions. Those who argue for the specialist teacher often have much closer ties to medical schools and the hard sciences. Indeed, one of the keys to understanding the division of opinion is to recognize that what is at issue is not simply the merits of generalist teachers relative to specialist teachers but the closely related question of who is to control institutions which train special education teachers. Though once dominant, proponents of the categorical, specialized training approach are increasingly being supplanted in teacher training institutions by advocates of the generalist position. A leading advocate of the categorical tradition recently lamented: "This writer is confounded by the superficiality of the current movement toward non-categorical teacher education which in effect produces a teacher with unsaleable competencies".[32]

The most difficult dimension of the mainstreaming controversy is not educational but ideological. Even if better, more definitive research on the educational consequences of mainstreaming were produced tomorrow, it almost surely would be used selectively by those whose interest in furthering or blocking mainstreaming is rooted in strong value biases. Those most deeply opposed to mainstreaming often feel quite genuinely that it is a cruel social experiment which forces handicapped children to compete in ways that may impose psychological costs that far outstrip possible educational and social benefits. At the opposite extreme, many child advocacy groups feel equally as strong that mainstreaming is absolutely essential if society is to overcome its traditional fear or hostility toward individuals whose abilities and behavior deviate substantially from established norms.

Lines of Authority Over Services. Questions about the bounds of special education are raised not only by efforts to implement mainstreaming, but also by policies aimed at improving the coordination between services for handicapped children rendered by the public schools and services provided by other public agencies. Owing to the nature of their disabilities, many handicapped children cannot benefit from educational services to the maximum extent possible without ancillary support in such areas as physical therapy, nutrition, psychiatric counselling, or family income maintenance. Thus, it is not uncommon for the parents of handicapped children to seek out needed ancillary services from a wide range of public agencies. Nearly half of all families with handicapped children in Minnesota, for example, are now receiving financial assistance, program counselling, diagnosis and many other services from agencies including Public Welfare, Public Health, Mental Health, Corrections, Vocational Rehabilitation as well as from various institutions serving the blind and deaf.[33] An increasing body of evidence, however, indicates that having to obtain services for handicapped children from many different agencies can be very costly in time, frustration, service duplication, and ineffective special education.

Parental efforts to obtain services for handicapped children provided through non-educational agencies are frustrated constantly by the fact that each major agency has its own clientele, its own budget, and programs to meet very narrowly defined needs. Thus, as the Rand Corporation pointed out in 1973:

> The tangled array of service programs severely taxes parents' ingenuity, perseverance, and courage as they thread their way through the official labyrinth seeking services for their children. Fully two-thirds of the parents we interviewed said they had difficulty in obtaining appropriate services. (In) their own words. . .
>
> 'The parents are over a barrel . . . whenever the mother of a "problem child" questions practices or "makes waves," the administrators threaten to exclude the child, and there is nothing that can be done about it.
>
> 'There is no parental counselling, no referral; we were willing to try just about anything . . .
>
> ' . . . a chain of talking and talking and talking . . . (and) stumbling around from place to place . . .
>
> 'There are so many government agencies, the people don't know where to go.
>
> 'I don't even know what questions to ask.[34]

Fractionated services not only discourage the efforts of parents to find proper services, but also lead to many situations where the proverbial right hand has no idea about what the left hand is doing. As several recent studies have pointed out, personnel with education agencies often have no idea that children in their special classes are receiving attention from other agencies. And just the same is likely to be true of non-education agency personnel. It is fairly apparent, however, that the degree of information interchange and service coordination varies substantially from state-to-state and agency to agency. In Minnesota, for example, there is relatively strong working relationship between many local school districts and the Department of Public Welfare. This, however, is not the case between the school districts and the Department of Health.[35]

Another consequence of the present polycentric system for delivering services to handicapped children is outright gaps and imbalances in service policy. The emphasis in most states is almost wholly on custodial care and disability treatment. Expenditures on prevention, identification, research, or program management and direction are quite low in most instances and sometimes virtually non-existent.

Recognizing these problems, states and the federal government have been instituting a variety of policies and practices intended to insure greater overall coordination and planning of services for handicapped children. These policies take several forms. One set of policies emphasizes strengthening planning and coordination at the state level. Steps in this direction include Maryland's centralized data system for the handicapped,[36] Massachusetts' innovative child advocacy institution, the Office for Children, and federally supported advisory bodies called developmental disabilities councils. Another set of policies stresses greater coordination of services within substate service regions which characteristically take the form of intermediate school districts. Most of these intermediate units, however, lack much authority except to develop more efficient or effective educational services through such arrangements as itinerant teachers or shared services. One notable exception to this generalization is Iowa's Area Education Agency legislation. As amended for purposes of special education, Iowa's Area Education Agency law provides for fifteen regional units of government which are responsible for meeting the needs of the "whole child," not simply requirements for formal schooling.[37] This legislation is too recent, though, to evaluate its success.

Although most recent efforts toward improved service coordination seem to operate from the "top down," some states and localities are expressing increasing interest in articulating services from the "bottom up." In Massachusetts for example, local school systems now provide special education services to an increasing extent through "collaboratives," voluntary interlocal service cooperatives created to meet needs through mutual action which cannot be addressed adquately by any school district acting alone. Unlike more formal, state-chartered intermediate school districts, collaboratives exist only so long as any community wishes to participate.

A limitation of Massachusetts' collaboratives is their relative lack of involvement with non-school agencies. It is significant, however, that state officials from a wide range of education and social service agencies are now in the throes of discussing ways to foster collaboratives which could work extensively with outside, non-school agencies. Many of the obstacles are clearly political, most importantly the classic problem of encroaching on agency "turf." In Massachusetts as in most other states, turf is defended not only by informal practice, but by the law itself. As one recent study notes, Massachusetts probably cannot establish extensive multipurpose collaboratives without first rewriting large sections of its state code because "(l)was . . . designed for the current system . . . create barriers to the planned mode of operation or fail to provide needed controls."[38]

One of the biggest question marks in the movement for greater coordination of handicapped child services is the new federal Education for All Handicapped Children Act, P.L. 94-142. Under this legislation, the state education agency is held responsible for coordinating all educational and ancillary services provided for handicapped children.[39] Taken at face value, this would seem to require that many states may face the political problem of enhancing the legal authority of their state education agencies and, correspondingly, reducing the autonomy of other state and local administrative and governing units. Quite ironically, however, the law provides no parallel requirement of coordination among federal agencies serving the handicapped -- silent testament to the political realities of achieving greater coordination of handicapped child services.

But service articulation is much more than a political problem. What almost all discussions of the problem miss is that coordinating any kind of services across and among levels of government is extraordinarily difficult to deal with conceptually.[40] Existing literature in the field of public administration and management offers precious little theoretical advice on the best ways to organize intergovernmental administrative systems in a federal structure. Indeed, the bulk of modern literature in the field has tended to ignore the subject ever since Appleby and his colleagues concluded that politics and public administration are inseparable.[41]

Effective and satisfactory coordination of special education and allied services will require not just better conceptualization of the problem, but relatedly, more definitive information about how the existing fragmented system actually works. Like most municipal government reformers at the turn of the century, almost all advocates of greater special education and allied service coordination think that "neatness counts." But this may not always be the case. As municipal reformers have discovered, neatness confers both benefits and costs, some of the costs more problematic than some of the ills of fragmentation. Fragmentation may be frustrating to some, but may work very much to the advantage of others, especially those who are sufficiently sagacious to take full advantage of the opportunities it can present. Fragmentation may be wasteful and inefficient, but also can allow the type of service redundancy which may permit those unable to obtain service one place to obtain it somewhere else. Fragmentation may be chaotic, but it may minimize the problems of managing highly integrated bureaucratic organizations. Fragmentation may result in service gaps, but it also can result in service innovation. In short, the problem may not be replacing fragmentation with coordination, but rather replacing a bad brand of fragmentation with a better brand of fragmentation.[42]

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Chapter III

STATE AID FOR SPECIAL EDUCATION: PATTERNS OF DISTRIBUTION AND ALLOCATION IN TWO STATES

Introduction

While speculation is abundant, factual information about the distribution and allocation of state aid for special education is very limited. Research that does exist, however, is remarkably consistent in its findings. Recent analyses of state aid for special education in Florida,[1] Maryland,[2] Montana,[3] and Washington,[4] as well as a few related studies[5] present fairly unanimous testimony that the distribution and allocation of state aid for special education is determined to a much greater extent by the priorities and capabilities of local education agencies than by the supply of revenue offered and the terms on which it may be used.

Research by the National Conference of State Legislatures (N.C.S.L.) shows, for example, that the distribution and use of special education aid in the State of Washington is driven by six major factors: (1) the strength of local educational leadership; (2) the demands of parents and local school interest groups; (3) the way local school administrators perceive the overall character of existing educational needs; (4) the availability of support staff and facilities; (5) the costs associated with varying types of special education needs; and (6) the nature of the relationship between local education agencies and the State Department of Public Instruction.[6] State regulations, the N.C.S.L. study notes, have only marginal impact. In its words:

> Existing special education regulations provide only weak protection against local educational priorities which result in inappropriate services for handicapped children. While school districts seem to adhere to sound practices in testing children for handicapping conditions, there is no incentive under existing regulations to conduct comprehensive screenings of all preschool children, a vital step toward early extinction of many handicapping conditions. Equally important, there are few requirements which assure parental involvement in diagnosing the needs of children thought to be handicapped. And, there are signs that existing regulations do not assure adequate re-evaluation of handicapped children once placed in special programs -- a problem which may be particularly acute for minority children given the weak endorsement offered for current safe-guards against misplacement of children who suffer from problems which are easy to diagnose incorrectly as handicapping conditions.[7]

The effectiveness of state regulations in controlling and guiding the use of special education funds at the local level may be weak in many other states as well. A recent study of special education finance and programming in Minnesota, for example, finds that local education agencies generally disregard the state's school census law which requires an annual census of handicapped children because they regard it as "quite unreliable."[8] In a somewhat different vein, projects recently completed by the Stanford Research

Institute,[9] the U.S. Department of Health, Education and Welfare,[10] and the Children's Defense Fund[11] suggest that due process guarantees against misplacement of children in classes for the handicapped may be much less effective for low-income and minority children than for children from Middle American backgrounds.

Existing research on state aid for special education, while limited in its coverage, clearly indicates a need for a closer look at the subject. A step in that direction, this chapter focuses on the flow and use of state aid for special education in two very different states, Georgia and Massachusetts. The principal conclusions reached are as follows:

> Georgia and Massachusetts not only require local education agencies to service all handicapped children, but also support a high share of the basic special education costs. Nonetheless, there is widespread evidence that many local education agencies are neither taking advantage of the state financial support nor providing needed special education services at their own cost. With relatively few exceptions, the distribution and use of state aid for special education in Georgia and Massachusetts is determined much more by the priorities and capacities of local education agencies than either the mandates of state law or the likely presence of handicapped children. Local education agencies which obtain the most special education aid and which mount the most sophisticated programs for handicapped children generally share three characteristics: (1) broadbased and active community involvement in educational dicisionmaking; (2) school staffs which are relatively large, specialized, and well led; and (3) moderate-to-high personal income levels with taxable property values to match. Local education

agencies which take the least aid and provide the least developed programs are almost polar opposites. They generally show: (1) little active citizen involvement in school affairs; (2) school staffs which are either very small or which are large and specialized but poorly directed; and (3) either rank low both in personal income and taxable property values or have personal income levels which are very low relative to their taxable property values. Put another way, whether a child lives in Georgia or Massachusetts, he is most likely to obtain the highest quality special education services in moderate-to-large size suburban communities with established traditions of parental involvement in school affairs, well-developed professional staffs, and fiscal ability to provide quality school services for all children with only moderate tax burdens and tax effort. In contrast, he is least likely to get quality special education services if he lives in a small community which is small, rural and poor, or in a locality where educational decisionmaking is paralyzed by administrative malaise or acute tax-consciousness.

While it is clear that most variation in the utilization of special education aid can be explained by three factors, other variables can intervene to distort the general pattern. These include, most importantly; (1) the racial composition of the local population; (2) the size of the local population; (3) the supply of special education personnel; and (4) the presence of extraordinary local educational leadership

The impact of race on local special education aid utilization in Massachusetts is difficult to analyze because of the small size of the nonwhite population and its concentration in a relatively few places. The impact of race in Georgia, however, is often powerful. As other studies have demonstrated, Georgia school districts with large concentrations of nonwhite residents and schoolchildren are much more inclined to place pupils in classes for the retarded than districts with small nonwhite populations. Our research, however, casts substantial doubt on the prevailing notion that this practice is motivated mainly by racial prejudice, and for two reasons. First, most of the cities and counties which make the greatest use of classes for the retarded operate public school systems that are overwhelmingly nonwhite to begin with. To the extent that nonwhite children are placed in special classes, they are not segregated from whites but mainly from other nonwhites. Second, there is overwhelming evidence that school districts which place almost all handicapped children in classes for the retarded do so because their predominantly rural location and poverty makes it almost impossible for them to employ teachers who are qualified to deal with a broader range of handicapping conditions. One may argue, of course, that this does not justify labelling large numbers of children as retarded when they may have other problems. Yet, in practical terms, failure to do so would mean that many local education agencies would be unable to provide children with undeniable educational problems the extra attention which normally goes along with the much smaller size of special classes. Put another way, the placement of some children in classes for the retarded is clearly not the best solution to their needs, but may very well be the second best - however imperfect.

Local utilization of special education aid is distorted additionally by local population size. In general, small localities are less likely to seek out special education aid than large localities. The impact of community population size, however, appears to vary substantially depending on local wealth and the rate of population change. Almost without fail, rapidly growing school districts are much less likely to mount large scale special education programs than their slow-growing neighbors. This may be attributed in part to the fact that rapid growth has been centered primarily in fringe communities which normally do not demand extensive special education services. But more important, growth often detracts from the ability of local officials to shift large concentrations of resources into specialized programs.

Local utilization of special education aid in Georgia is often made especially problematic by the lack of adequately trained public school teachers and administrators. While we could find virtually no shortage of qualified staff in Massachusetts, it was a chronic problem in many of the school systems we visited in Georgia. Rural communities, in particular, expressed constant frustration over being unable to hire specialists for any purpose. The shortage of special education staff in Georgia, however, is not just a problem as is true in some states of trained teachers seeking the "bright lights" and rejecting the "boondocks." Other factors are involved. Part of the shortage can be attributed to the fact that pay levels for many specialists such as psychologists and physical therapists are simply too low to allow the public schools to compete with other sectors of the marketplace. And equally important, part of the problem is the lack of diverse college and university special education degree or certificate programs close to current teachers' homes in the most remote parts of the state. Efforts, however, are now being made to close this gap by in-service training programs and through college and university extension centers.

Both in Georgia and Massachusetts, a few local education agencies have been able to overcome a broad range of factors which tend to depress special education aid utilization -- even teacher shortages -- by virtue of truly exceptional local educational leadership. In each state, we visited communities where one would expect to find only limited special education services at best, but services instead were well-developed. These communities, invariably, had a superintendent of schools or a special education director who was not only highly motivated, but also capable of tapping discretionary state and federal funds and pyramiding them into the resource base necessary to overcome the local political and fiscal environment. It is unlikely, however, that state policy can promote such leadership on a widespread basis.

While the power of local influences over the distribution and allocation of special education aid is substantial, it would be erroneous to conclude that local interests operate necessarily in contravention of state policy. State policy governing the unitization of special education aid in Georgia and Massachusetts seems to involve a classic example of the old strategy, "two steps forward, one step back." Over the last five to ten years, both states have begun to make substantial progress in overcoming old abuses of handicapped children and in some cases, the funds meant for their benefit. Strong and increasingly well-funded service mandates in both states have made it more and more problematic for local education agencies to deny handicapped children a public education. Though obvious service gaps remain, public school services for handicapped children are far more abundant and widespread today than at the beginning of the decade. Closely related, stringent due process requirements have made it appreciably more difficult for local education agencies to relegate children to special classes without appropriate diagnosis and evaluation, and especially so in communities where parents tend to play an active role in school affairs. Moreover, there is relatively little evidence that local education agencies have been inclined to divert state funds for special education into regular class programs. But as Massachusetts has discovered, laws which place a high premium on mainstreaming make it much more difficult to distinguish between special class and regular class funds than laws which tend to promote greater reliance on self-contained classrooms and resource rooms.

Both Georgia and Massachusetts have "paid" for long-term improvements in the distribution and allocation of special education aid by allowing local education agencies considerable flexibility and control over special education decisionmaking. The strong influence of local interests over the utilization of special education aid is not accidental. State laws and regulations encourage it in many ways. No local education agency in either Georgia or Massachusetts must accept state aid; and no local education agency is expected to develop any sort of prototypical service pattern. Closely related, the problem of defining substantive adequacy to special education services is left primarily to local communities. Service standards outside of procedural prescriptions are vague in Georgia and virtually non-existent in Massachusetts. Neither Georgia nor Massachusetts has established a mechanism which allows those dissatisfied with local services to find swift redress of their grievances. The appeals process in both states is complex and costly and skewed very much in favor of local decisionmakers. Moreover, neither state has established machinery which would allow it to closely monitor local special education services. Owing largely to the resistance of local education agencies, education management information systems in both states are limited. Reliable program accounting at the local level is the exception rather than the rule. Financial audits in Massachusetts often lag two years behind local expenditures. Program audits in Georgia are non-existent.

While partly the result of political pressures, slack state control over the use of special education aid also has been an administrative necessity. Special education aid has grown at a pace which has outstripped Georgia and Massachusetts' capacity to excercise oversight and control. And much more important, it has raised educational and fiscal issues which are extraordinarily complex and not always amenable to simple statewide solutions. What really is a "handicapping condition?" How can it be defined so that it means essentially the same thing to all local education agencies? How much aid is needed to provide an "adequate education" for children with particular needs? These are just a few of the very difficult issues now needing resolution.

Georgia, Massachusetts and other states recognize that improved management information systems are one of several reforms which must be implemented if they are to play a positive role in improving the utilization of special education aid. Developing better management information systems, however, will involve much more than simply printing up new data collection forms or revising local accounting practices. It will require developing information networks that cut across school and nonschool agency lines; it will require the addition or reallocation of personnel to analyze information that is gathered; it will require crossing such practical hurdles as gaining access to computers or persuading independent auditing agencies to provide certain types of information, and much more.

Improvements in the distribution and allocation of special education aid cannot be achieved by better management information alone. States, most importantly, must find new ways to deal with the perennial problem of reducing the impact of undesirable local influences over state policy while at the same time maintaining the advantages of decentralized decisionmaking and administration. Massachusetts, significantly, is attempting to achieve this balance through far-ranging decentralization of its State Department of Education and through the promotion of institutions like local educational collaboratives. Georgia, somewhat traditionally, is attempting to achieve this balance by improving state technical assistance programs. But many other alternatives remain, one of the most interesting being Florida's special education pupil weighting system. Unlike other states' pupil weighting systems, Florida's system not only distributes assistance to local communities, but also allocates at least 75 percent of all state assistance to the programs for which it is earned. Curriculum and many other specific service delivery problems, however, are left largely under local control.

Georgia and Massachusetts also must make changes which insure a better fit between policies governing the use of special education aid and other state policies and practices. Changes are most needed in three areas. First, both states must find ways to strengthen general school aid programs and related efforts designed to overcome the basic institutional dificiencies of local school districts. At present, one of the major factors contributing to inadequate use of special eduation aid is not so much unwillingness to operate programs for handicapped children, but basic limitations in local capacity to meet the educational needs of almost all children.

Second, both states must adopt new local property tax policies. Each state, however, needs somewhat different reforms. Massachusetts, more than anything else, must find ways to roll back its dependence on property levies for school financing. This task will not be easy, however, since the state's relatively high use of most major tax instruments makes it very difficult to substitute new or higher state taxes for reduced local school taxes. But at the very least, Massachusetts must find some politically acceptable ways to check the growth of property taxes in cities and towns where they are far above average. In contrast to Massachusetts, Georgia's property tax problem is not the aggregate property tax burden, but the frequently perverse impact of state property equalization policies on local tax-consciousness. This, of course, is not to suggest that the state should cease its efforts to equalize local assessments, but rather to indicate that short-term palliatives may be necessary to ease the pain. One possible remedy for this problem would be to substitute a property tax circuitbreaker for Georgia's less progressive homestead credit; or perhaps more realistically, to modify the homestead credit and to add a property tax circuitbreaker. Another alternative which would be helpful not only in Georgia but also in Massachusetts would be to redefine the local tax base for school aid purposes by including a measure of income wealth in addition to current indices of property wealth.

Third, both Georgia and Massachusetts must continue to search out ways to improve the fit between school and non-school services for the handicapped. Of the two states, Massachusetts clearly has made much more progress in this area. Its Office for Children and regulatory requirements for interagency cooperation are among the most far-reaching steps toward service coordination taken in any state. Continued progress in this area, however, will depend on overcoming problems which are not only political, but also conceptual. The task of coordinating services of any sort across agency and jurisdiction boundaries involves a complex set of administrative trade-offs which are not very well understood. One must constantly balance such variables as the values of centralization against the values of specialization, the values of large scale organizations against the values of intimate organizations, and so forth. But the only way the interaction of these variables can be better understood, is to learn by trial and error.

Aid for Special Education: The State Setting in Georgia

State aid for special education in Georgia and Massachusetts is provided under very different circumstances.

School finance, governance and politics in Georgia are highly characteristic of the whole Southeast. The great majority of public school support is provided through a minimum foundation aid system in which the state shares the basic costs of education inversely in relation to local wealth: the greater the official local tax digest, the smaller the percentage of state support. All costs of education above the basic or foundation expenditure level are provided either through small amounts of state non-foundation aid, often substantial sums of federal aid, and so-called "local enrichment," funds raised wholly through local taxes.

In fiscal 1975, public school outlays in Georgia amounted to approximately $990 per pupil in average daily attendance, a sum up 46 percent from fiscal 1971, but substantially below the national average of $1,280 per pupil.[12] About 55 percent of elementary and secondary school revenues in Georgia are provided by state sources, a state support share about 12 percentage points higher than the national average.[13] Owing primarily to their large poverty population, Georgia school districts currently receive almost 13 percent of all funds from federal sources, a level over 4 percentage points greater than nationwide.[14] Only 32 percent of public school revenues are provided from local sources, a level far below the 50 state norm of 48 percent, a level which helps Georgians to enjoy a local property tax burden almost a third less than the national average.[15] Most Georgians, however, will take exception to anyone who suggests that their property tax burden is low. Significantly, in one survey of Georgia voters, most respondents indicated that they would be much more willing to support increased state taxes than any growth in property taxes.[16]

Given the high share of revenue derived from state and federal sources, Georgia's local education agencies tend to have relatively similar expenditure levels. During fiscal 1974, the highest ranking school system had current expenditures per pupil of $1,325 while the lowest ranking had per pupil expenditures of $557, a difference of 138 percent.[17] The differential between the school systems having the 95th and 5th percentile current expenditure levels, however, was substantially smaller, only about 40 percent, a disparity far less than the expenditure gap found in most states.[18] Almost without exception, Georgia's highest spending school systems are large cities and nearby suburban counties. Expenditures in rural counties, especially those in the so-called "black belt," are usually among the lowest in the state.

Georgia also resembles most states in the South in its system of school governance. In fiscal 1974, the state had 188 school systems offering 12 or 13 years of public education, kindergarten being a matter for local option. All regular school systems are coterminous with cities or counties and range in enrollment from 78,297 to 454 pupils.[19] Local school superintendents may be elected or appointed and operate in conjunction with boards of education or city councils. Annual operating budgets are set by the local boards of councils and, unlike in some states, are not subject to referendum. All bonded indebtedness, however, is subject to popular sovereignty and is limited to 10 percent of local assessed valuation.[20]

Georgia's local school system can share service costs with one another either through ad hoc agreements or through Cooperative Educational Service Associations, (C.E.S.A.). Cost-sharing agreements, however, are not very common and the state's C.E.S.A. units vary greatly in strength and scope of services, most being relatively weak.

Georgia's local school system operate under the aegis of an elected state school superintendent and a gubernatorially appointed state school board. Georgia's chief state school officer, Jack Nix, was the state's director of vocational education before assuming his current position in 1968 and rates as one of the most powerful state school superintendents in the nation.[21]

Nix's power stems from a variety of factors. Perhaps the most obvious is his status as an independently elected constitutional officer. Another is the fact that he has never experienced serious opposition at the polls or from the State Board of Education. But the real roots of his power go deeper. Nix and the state's local school superintendents form a close knit coalition built on a foundation of "good old boy" political ties. Nix knows his superintendents well and they know him well and neither Nix nor the superintendents are likely to move on any controversial issue without consulting with one another. As a result, the normal order of state-local relationships is one of "no waves," and "no issues." Fraternity rules.

Nix's close relationship with his local superintendents and the power it gives one another tends to circumscribe the role of the State Department of Education to one of recordkeeping and technical assistance to local education agencies. Unlike some state education agencies, Georgia's State Department is run, as one leading official put it, "like a tight ship." Internal dissension, where it exists, is highly tempered and not visible to the public.

State education policy in Georgia is set primarily through behind the scenes interplay among the State School Superintendent, the Governor's Office of Planning and Budget and the leadership of the General Assembly's education and money committees.[22] By all reports, the lead role in this relationship belongs to the state superintendent and he plays it skillfully, taking maximum advantage of his considerable "people skills" as well as his virtual monopoly over basic information about the status of Georgia's educational system. Efforts to broaden this decisionmaking circle are rare, Governor Jimmy Carter's efforts to strengthen the State Board of Education one of the few notable efforts in this direction.[23]

One of the factors contributing to the narrow base of state education policymaking in Georgia is the lack of public opposition. For practical purposes, only one educational interest group, the Georgia Association of Education (G.A.E.), has the capacity to mount a challenge. The G.A.E., however, is essentially a one-issue organization, focusing most of its efforts on teacher salaries, rather than on broader school policy questions.[24]

Aid For Special Education: The State Setting in Massachusetts

It is difficult to imagine two states more different in their school finances, governance, and politics than

Massachusetts and Georgia. School funding arrangements in Massachusetts are almost a mirror image of those in Georgia. Most public school dollars in Massachusetts are raised locally through real estate taxes. During fiscal 1975, over 70 percent of Massachusetts' public school revenues came from local sources; 25 percent came from state sources; and only 4 percent was provided through federal grants, the federal support share among the lowest in the nation.[25]

State school aid in Massachusetts flows to local education agencies through a combination of equalizing and special purpose grants, almost all of which are paid on a reimbursable basis rather than on a current year basis. Equalizing grants are paid under the Commonwealth's so-called "Chapter 70" legislation and are provided to local education agencies on a "percentage equalizing" basis, that is, in a way that directs greater aid per student to communities that are property-poor than to those that are property-rich. The equalizing impact of equalizing aid is limited, however, by the fact that it amounts to less than one-fourth of all state and local operating revenues in a school finance system which imposes virtually no constraints on local school budgetmaking.

School expenditures for operating purposes in Massachusetts in 1975 amounted to $1,335 per pupil in average daily attendance, a level typical of New England and only slightly greater than the national average.[26] The gap between the highest and lowest-spending localities is also typical of the Northeast, the state's highest spending districts having operating outlays of more than $2,500 per pupil; its lowest districts having expenditures less than $700 per pupil.[27] Highest spending communities are generally upper-middle class suburbs and affluent rural towns and deteriorating small cities.

Owing to its high dependence on locally-raised revenues and its high expenditure level, Massachusetts' school finance system imposes among the highest local property tax loads in the country.[28] While a true school tax rate of $15 per $1,000 taxable property value would be considered outrightly confiscatory in Georgia and many other southern states, it would be regarded as a sheer pleasure in most parts of Massachusetts. In fiscal 1974, for example, true property tax rates for school purposes in Massachusetts were commonly $30 per thousand of taxable value or more.[29] Put in slightly different terms, it is not unusual to find cities and towns in Massachusetts where the annual per capita property tax for school purposes exceeds $200 per capita, some communities having combined school and non-school property tax loads of more than $800 per capita. Relief for these burdens, however, seems nowhere in sight. Owing to one of the highest unemployment rates in the nation, Massachusetts' state budget for fiscal 1975 was in the red by about $500 million and may be short as much during fiscal 1976, the deficit currently being covered by a five-year, high-cost bond issue.

Reflecting its pattern of school revenue-raising, Massachusetts' school governance system is one of the most decentralized in the country. During fiscal 1973 the Commonwealth had 431 elementary and secondary local education agencies, 32 of which were non-operating. Unlike in Georgia local education agencies in Massachusetts include a variety of grade ranges, some providing education on a K to 12 basis, others only for the elementary level or secondary level. Generally speaking K to 12 districts and elementary districts operate in areas coterminous with individual cities or towns. A few K to 12 districts and all secondary districts, however, operate on a regional basis, that is, crossing town lines.

Two of the most interesting features of school governance in Massachusetts were adopted in 1972 as part of the Commonwealth's milestone special education legislation, the Bartley-Daly Act, or as it is called more commonly, "Chapter 766."[30] One of these reforms was the decentralization of the State Department of Education into six regional offices, each having many of the powers formerly held by 78 Tremont Street, the main office. The idea behind this revision was straightforward: place the state education agency as close as possible to the local schools, a move that was highly consistent with the historic New England tradition of strong community control over education. Whether this regionalization will prove administratively sound, however, remains open to question. Two or three of the regional offices, for example, seem to have good leadership and a relatively high degree of bureaucratic competence. The rest, however, have been faulted rather frequently for weak staff and an inability to act authoritatively and with deliberate speed.

Another major governance innovation of Chapter 766 is called the "collaborative." Very simply, collaboratives are simply ad hoc interlocal service agreements among local education agencies which have no state charters and can be created and destroyed at will by their members. Now numbering more than 100, collaboratives allow local education agencies to support specialized services for needs which no single community can meet effectively or efficiently by itself.[31] Collaboratives are used widely for special education services and, if current discussions prove fruitful, could be expanded to include non-education agencies as well as local school systems.

One of the most interesting developments in collaborative arrangements developed thus far is that they quite often involve communities with diverse social and fiscal characteristics. Cities cooperate with suburbs; rich suburbs with poor suburbs; and so forth. In short, there are some signs that local education agencies may be able to develop networks of interlocal service agreements that are far less class, status, and wealth-bound than is so often the case with inter-local agreements implemented by general purpose governments. If this pattern endures, the implications for improved school services and creative local control over education are very encouraging.

Massachusetts school governance is not only highly decentralized; it is highly pluralistic as well. The influence of pluralism is seen most pointedly at the state level and the structure and policymaking behavior of the State Board of Education, the Commissioner of Education, the state legislature, and the Governor.[32]

Exactly the opposite of Georgia, Massachusetts has a directly elected state school board which appoints the chief state school officer. The chief state school officer, the Commissioner of Education, is institutionally weak and directs a State Department of Education weakened by high personnel turnover and low salary levels. As one writer describes it:

> In the Massachusetts SEA, manpower problems have been serious for a long time. A high vacancy rate, inadequate staffing, rapid employee turnover, and staff homogeneity in career patterns and background have resulted in a staff ill-prepared to meet the burden of effective educational leadership. Low salaries, haphazard recruitment precedures, and external bureaucratic interference have impeded staff improvement.[33]

The absence of an elected chief state school officer makes it institutionally simple for the Commonwealth's Governor to become openly involved in school politics, the Governor frequently taking the lead on educatonal budget issues. The Governor, however, has far from a free field. Indeed, no state official has a free field.

Massachusetts' school politics at the state level are among the most competitive in the nation, involving well-organized interests of virtually every stripe imaginable. Massachusetts' school politics are a classic example of textbook pluralism where the difference between success and failure, where the difference between being powerful and weak is explained largely by skills in the classic art of "friends and neighbors" politics[34] Thus, unlike in Georgia, state school policymaking and administration tends to be characterized by a high degree of competitiveness and by a notable lack of tight control by any individual or group of individuals. Control at any point in time depends heavily on bargaining ability, not formal position.

Special Education Aid Policy in Georgia

Georgia and Massachusetts are as different in their special education aid laws as in their general school governance and finance systems. Georgia's current special education aid legislation was enacted in 1968 through House Bill 453.[35] Under this Act, every local education agency in Georgia was required to establish and maintain special education programs and facilities for all handicapped children by no later than 1976. Severe state revenue shortfalls over the last two years, however, forced a delay in the effective date of this mandate until 1977.

Though not a favorite program with many state legislators and officials within the State Department of Education, state aid for special education in Georgia has grown substantially ever since the late 1960's. Georgia's appropriation for special education in 1969, for example, provided only enough funding to support 1,275 teacher units. But as Table III-1 shows, the 1972 appropriation provided funding to support 2,583 special class teacher units, and by 1975 it provided for just over 5,000 special class teacher units.

By far the most important component of special education aid, special class teacher units are allotted to the state's local education agencies through a parity formula.

Under this formula, each local education agency is entitled to receive one special class teacher for every 12 handicapped children in special class average daily attendance during the previous year.[36] Prior to the attainment of full service funding in 1977, all local special education teacher units are distributed on a pro-rata basis which permits "grandfathering" of teacher units earned in previous years. Once full service is attained, however, no local education agency will be entitled to receive state support for special class average daily attendance exceeding about 12 percent of its tital average daily attendance.

Both under House Bill 453 and under more recent legislation, the amount of special education aid received by any local education agency is contingent not only on its entitlement, but on three other factors. Most basic, no local education agency may receive special class aid until it has hired a teacher with special class certification. Once a teacher is obtained, the amount of state support available depends on, first, the average local salary for all special class teachers; and second, the official local tax digest.

Like most state aid in Georgia, special education aid is distributed mainly through the foundation support system. It is important to recognize, however, that the local contribution to foundation costs is set on a lump-sum basis and is totally unaffected by the use or lack of use of any teacher aid entitlement. Thus, if a local education agency rejects a special class teacher unit for any reason, it in effect must pay for something which it is not using.

When Georgia implemented House Bill 453 in 1969, state regulations governing the use of special education aid at the local level were minimal.[37] Before a local education agency could claim its aid entitlement, it was required to meet essentially three conditions: (1) develop a state-approved plan for providing special class services; (2) appoint a special education advisory panel of parents and other community residents; and (3) find and hire certified special class personnel. Once special class aid was received, local education agencies used it almost exclusively for self-contained classrooms and resource rooms. Mainstreaming was neither popular nor encouraged. Control over identification, evaluation, and placement of children in special classes of any sort was ceded to the local school superintendent or his appointed special education director. Due process specification was minimal, limited largely to such *pro forma* requirements notifying parents that their children would be tested for suspected handicaps or were being considered for placement in special classes.

Georgia's original special education regulations are now being phased out and by 1977 will be replaced by an almost entirely new set of rules and guidelines.[38] These new regulations, very clearly, reflect a state effort to steer the difficult course between new federal procedural requirements spelled out in P.L. 93-380, the Education Amendments of 1974, and strong local preferences for operating special class programs with as lettle state intervention as possible. The new rules, for example, comply with the standards of P.L. 93-380 -- indeed cite them directly,[39] by requiring all local education agencies to adopt clearcut safeguards against arbitrary school actions in the areas of handicapped child identification, evaluation, placement, and review. Simultaneously, however, the new rules tread lightly in many ares where most child advocacy groups and proponents of P.L. 93-380 would like to see a more assertive state role. The new regulations, for example, continue local special education advisory committees as very weak institutions, lacking even the authority to hold meetings at their own initiative.[40] Similarly, the new rules establish a body to recommend special education services for individual students (a Special Education Placement Commitee) but allow the superintendent of schools essentially unbridled latitude in determining its membership. In short, the new rules are long on mandates for high quality services, but short on the teeth sometimes needed to insure them.

Perhaps the most significant recent change in Georgia's special education regulations is a new standard for placement of children in classes for the educable mentally retarded. Until 1975, children could be placed in classes for the educable mentally retarded if a standardized intelligence test indicated in intelligence quotient of 75 or less.[41] By the accounts of many child advocacy groups, by the accounts of the State Department of Education and many local school personnel, this placement criterion over and over again allowed local education agencies to place children in classes for mental retardation when they might have benefited more from programs designed to overcome socioeconomic deprivation. Whether one accepts or rejects the validity of this argument, it is clear that the new placement standards for educable mental retardation will begin to satisfy many of its proponents. As of 1975, no child may be placed in a class for the educably mentally retarded solely on the basis of any standardized test results. Moreover, any test results used must reveal that the child is performing at least two standard deviations below his chronological peers. In short, his intelligence quotient on most standardized tests must be no greater than sixty-seven.

Special Education Aid Policy in Massachusetts

Many of the changes in Georgia's special education regulations, and before that, the new federal special education service requirements laid down in P.L. 93-380, can be traced back to the powerful influence of special education policy changes enacted by Massachusetts in the Bartley-Daly Special Education Act of 1972, or as it is better-known, Chapter 766. A milestone in American child welfare legislation, Chapter 766 was the first state special education law to embrace almost the entire reform agenda of most child advocacy groups and immediately became a model for legislative revision elsewhere. As one Massachusetts legislative staff person has noted, "The Bartley-Daly Special Education Act of 1972 has united the Massachusetts Legislature with a nationwide movement on behalf of handicapped children.

The Bartley-Daly Act or as it is also called, Chapter 766, was precipitated by a combination of factors: court decisions, the chaotic character of predecessor legislation, and growing militance on the part of parent groups in the City of Boston and elsewhere who felt that local schools were interested in using special classes primarily for the purpose of sweeping handicapped children under the proverbial rug.[42] Written to a large extent by these parent groups, Chapter 766 went into effect in September 1974 and embodies several key principles. These can be summarized as follows:

(1) All handicapped children have a right to a free and public education appropriate to their needs at no added cost to their parents or communities. The excess costs of special education are a state responsibility.

(2) All handicapped children are individuals whose needs cannot be met except through personnally tailored programs. Use of categorical programs and their labels is prohibited.

(3) All handicapped children have a right to receive instruction within the regular public school classroom unless it is not consistent with their own best interests. Integrated classrooms are more desirable than placements which restrict the contact of children who are handicapped with those who are not.

(4) Parents of handicapped children have a right to play an active role in all phases of their education, including governance of special needs programs.

(5) All handicapped children are entitled to explicit safeguards in all phases of their education.

(6) And, the task of meeting the needs of handicapped children does not stop at the schoolhouse door. Schools and other public agencies are expected to work actively with one another in meeting any of the needs of handicapped children which limit their chance to be productive citizens.

Rules for Distributing 766 Funds

The distribution and allocation of state resources needed to implement these principles is governed both by Chapter 766 and by 109 pages of single-spaced regulations which rate among the most specific and stringent ever adopted for any public education program, state or federal. The basic distribution formula for Chapter 766 funds is relatively straightforward: each local education agency is guaranteed state reimbursed for approved excess costs of special education which do not exceed 110 percent of the state average. This basic arrangement is complicated, however, by a grandfather or hold-harmless clause which assures all local education agencies that they will receive no less special education aid between 1975 and 1979 than was earned in 1974.[43]

Some illustrations may clarify how this system operates. First, consider the example of a district with an average of $300 per pupil in excess costs for reimbursable special education services, an amount below the state average. The district is reimbursed for the full amount. A second district may spend more than $1,000 in excess costs per pupil, but if the state average is $600, can claim only $660 in reimbursements. A high spending district can get more than 110 percent of the state average in excess costs, however, if it established a high base during the period from 1972-74. Many districts did increase their expenditures for special education very dramatically during this period in part with the intention of building a high base for the next five years.

One of the most significant features of Chapter 766 aid distribution is its relationship to Massachusetts' Chapter 70 general school finance equalization formula. Under Massachusetts law, special education aid is drawn out of whatever appropriation is provided for Chapter 70 aid and is "prior-funded," meaning that the state may not reimburse any local claims for general equalization aid until it first honors all qualified claims for special education aid. This prior-funding arrangement has created a political storm and in many respects is the single-most controversial feature of the Chapter 766 legislation.

The uproar over prior-funding for special education aid has emerged for several reasons. First, and most basic, Massachusetts has never appropriated enough "new money" for Chapter 70 to cover the rapidly soaring costs of aid for Chapter 766. Making matters worse, Chapter 70 was never fully-funded even before the effective date of Chapter 766. Thus, as Chapter 766 has taken an increasingly greater share of the Chapter 70 appropriation, local education agencies have been compelled to raise property taxes to make up for the net loss of Chapter 70's general equalization aid. Put another way, Chapter 766 does not truly guarantee that the state will pay the excess costs of special education; it only robs from Peter to pay Paul.

Politically, this could not have occurred at a worse time. During the period which Chapter 766 has been going into effect, Massachusetts has experienced one of the most severe state unemployment rates in the nation and has seen the prospects of slight state budget surplus deteriorate into a fiscal 1975 deficit of more than $500 million and a $45 million cutback in school aid during fiscal 1976. As a result, there have been substantial cuts in the state budget which, in turn, has forced most local education agencies (school committees) to request higher property taxes or to cut their budgets. Needless to say, it takes little imagination where much of the blame has been placed.

Making matters worse, the burden of prior-funding is not distributed in a fiscally or educationally equitable fashion, but falls much harder on communities with poor tax bases and generally low quality serivces than on localities with rich tax bases and usually high quality services. The explanation for this is simple. Under the basic Chapter 70 equalization formula, the state even at full funding would pay no more than 75 percent of basic local school costs, with rich districts receiving substantially less aid than poor districts.[44] Chapter 766, however, treats rich and poor communities alike: all get special education aid which covers special class costs up to 110 percent of the state average. Hence, to the extent that rich districts can shift pupils from regular class programs to special class programs, they can receive increasing amounts of state aid. And the more this shifting occurs, the greater the draw against the supply of Chapter 70 funds to be distributed for basic equalization purposes. And the smaller the supply of basic equalization funds becomes, the more it works to the detriment of poor communities.

Fearing a fiscal backlash, many proponents of a strong state role in special education funding have taken an increasingly active part in efforts to reform Massachusetts' Chapter 70 legislation. In early 1975, for example, the State Board of Education and the Massachusetts Teachers Association both made serious attempts to win support for new general finance laws which would have distributed the bulk of state aid on a pupil-weighting or pupil-cost basis. These efforts died almost immediately, however, when the size of the state's end of year deficit became evident and are unlikely to be revived for at least another year or two.

The Allocation of 766 Funds

Any renewal of efforts to revise the current system for distributing special education aid will be scrutinized very closely by Massachusetts' well-organized special education interest groups. One of their central concerns about any change in distribution procedures will be their potential effects on the heart of Chapter 766 -- its rules and guidelines for allocating special education funds to children at the local level.

The Chapter 766 bylaws for allocating resources to handicapped children at the point of service delivery have attracted attention nationwide. Part of this attention has been generated by the goals of these bylaws -- objectives like mainstreaming and service coordination which have been previously described. But at least as much attention has been focused on two other features of the bylaws: one, their high degree of specificity; the other, their apparent shift of decisionmaking power from local school superintendents to other school professionals and parents.

Quite unlike Georgia's rules for allocating resources, Massachusetts' regulations leave little to the imagination. The rights and obligations of everyone are spelled out in great detail at every major step of the service delivery and resources allocation process, including screening, evaluation, and placement.

In an effort to assure that no handicapping conditions are overlooked, all local school committees must screen all children entering kindergarten. This process, among other things, must include the following elements:

> A solicitation from parents through interviews, questionnaires, and other formal and informal techniques of information including the age at which developmental milestones were attained . . .
>
> A comprehansive health assessment as prescribed by the regulations and forms for the physical examination of school children in the Department of Public Health . . .
>
> A vision assessment as prescribed by the regulations and forms for the physical examination of school children of the Department of Public Health . . .
>
> An assessment, separately and in integration, of the child's visual, auditory and motor functioning in practical tasks and activities.[45]

If screening activities reveal a handicapping condition, a school committee must notify a child's parents within five days, and seek permission to undertake a full or partial "core evaluation" of the child's service needs within no less than thirty days. The steps which must be followed in completing this assessment are rigorous. A "full core evaluation," for example, must involve some of the following assessments:

> An assessment of the child's educational status by an administrative representative of the school department ...
>
> An assessment by a certified or approved teacher who recently had or currently has the child in a classroom or other teaching situation. Such assessment shall include:
>
> (a) An analysis of the child's specific behaviorial abilities along a developmental continuum . . .
>
> (b) A statement of school readiness, functioning or achievement

> (c) A statement of the child's behaviorial adjustment, attentional capacity . . .
>
> A comprehensive health assessment, by a physician, as prescribed by the regulations and forms on physical examination of school children of the Department of Public Health . . . .
>
> An assessment by a psychologists . . . .
>
> Any additional assessments by specialists . . . .[46]

Once a core evaluation has been completed, persons who have conducted assessments must assemble and develop an individualized educational plan suited to the child's disabilities and needs. This plan, among other things, must place the child in one of several school program prototypes including: (1) a regular school program with relatively limited modifications; (2) a regular school program with up to 25 percent of a pupil's time spent outside the ordinary classroom; (3) a regular school program with no more than 60 percent time out; (4) a program totally within a specialized classroom; (5) a private residential school program; (6) a program at home or in a hospital; (7) a parent-child program; or (8) a diagnostic program.

Fearing that stringent regulations were an inadequate guarantee of proper service in and of themselves, those who drafted Massachusetts' regulations attempted to give them "teeth" by requiring a variety of important shifts in control over the administration of special class services.

The most important innovation in this respect was the "core evaluation team" (C.E.T.). Like the special education child placement committee (S.E.P.C.) in Georgia, the C.E.T. is the local school body with prime responsibility for developing each handicapped child's special program. The C.E.T., however, differs not only from the S.E.P.C. but also from program development arrangements in Massachusetts in that it cedes major decisionmaking authority to individuals other than the local superintendent of schools. Significantly, no handicapped child may be placed in a special class program unless plans for that program have been developed by a C.E.T. comprised of the following members: (1) a chairperson designated by the special education administrator; (2) all persons who have conducted core evaluation assessments; (3) a parent of the child; (4) the teacher who will be mainly responsible for the child; (5) any professional currently working with the child outside the school system and requested by the child's parents; (6) an approved vocational educator if requested by the C.E.T. chairperson; and (7) the primary person assisting the teacher who will have the lead responsibility in implementing the child's program.[47] And in some cases, still other persons may be involved.

Parents or others dissatisfied with the decisions of a C.E.T. has been provided with mainly two avenues for obtaining a reversal. First, and more important, they can take advantage of a fairly elaborate quasi-judicial appeals procedure. While existing regulation urge resolution of all conflicts at the lowest possible level of government, those who feel that they have not been satisfied have the option of appealing to the Regional Branch Office of the Bureau of Child Advocacy, the State Advisory Commission, and ultimately, to the courts. Second, it also is possible to register grievances before the Commonwealth's Regional Advisory Councils for special education. These councils, importantly, must include parents of handicapped children as members, can call themselves into session, provide reimbursement for member expenses, and are required, among other tasks to submit an annual written appraisal of regional special education services to the State Advisory Commission.[48]

The Supply of Special Education in Georgia and Massachusetts

Despite marked differences in their special education finance laws, despite strong differences in their political institutions and traditions, Georgia and Massachusetts exhibit strong similarities in their special education service patterns and, closely related, the distribution and allocation of state special education aid. The most recently available data on local special education services in both states reveal wide variations in three key areas: (1) the rate at which pupils participate in special education programs; (2) the type of services provided by special education programs; and (3) the demand for state assistance in funding special education programs.

As Tables III-2 and III-3 show, pupil participation in special education programs operated by local education agencies in both Georgia and Massachusetts ranges from about 2 to 3 percent in the lowest ranking quintile to between 14 and 15 percent in the highest ranking quintile. And the range between the most extreme cases is even greater. During fiscal 1973, a few Georgia school districts provided absolutely no special education services, while some served perhaps close to 25 percent, the upper limit being uncertain owing to reporting problems. Similarly, during fiscal 1975, the first year Chapter 766 was in effect, some Massachusetts communities served less than 1 percent of their pupils in special education programs while a few approached the 25 percent service rate achieved in Georgia. In short, there is much more variation in the special education service rates within Georgia and Massachusetts than between them or any other two states.

Georgia and Massachusetts also exhibit very high interlocal variation in the type of special education services provided, a pattern highly consistent with the

the findings of recent studies of special education services in Maryland, Minnesota, and Washington.[49] Interlocal variation in special education service offerings is especially clearcut in Georgia. As Table III-4 shows, service offerings in Georgia are almost always the most comprehensive in localities with the highest special education participation rates, and conversely, the least developed in communities with the lowest overall service rates. This is also the case in Massachusetts, but as Table III-5 reveals, to a substantially lesser degree.

Special education services in both Georgia and Massachusetts seem to follow a consistent pattern of development. Communities with the most limited special class service rates almost invariably place initial emphasis on creating services for children regarded as mentally retarded. Then, as participation increases somewhat, an effort is made to add services for children with speech impairments and perceptual handicaps or, as they are also called, specific learning disabilities. And as participation reaches a relatively high level, services become even more specialized. As Table III-4 shows, Georgia school districts in the highest special class participation rate quintile are far more likely than districts with lower participation rates to offer services for children thought to be gifted.

Similarly, as Table III-5 indicates, Massachusetts communities in the highest special program participate rate quintile are much more likely than districts with lower participation rates to allocate resources to "other" programs -- programs which usually are the most specialized of all. In short, there seems to be a fairly substantial amount of evidence that special education services grow much like other public services: feeding on their previous development and becoming more specialized at each stage of development. This, however, does not necessarily guarantee that local education agencies eventually will meet the needs of all handicapped children. While this may be the result, it is just as possible that services may become more specialized for their own sake, without adequate regard for the actual prevalence of handicapping conditions.

As might be expected, there is as much variation in the use and allocation of state aid for special education as there is in the scope and comprehensiveness of local special education services. Both in Georgia and Massachusetts, large numbers of local education agencies take only minimal advantage of state special education funds, while others take all they can get. Throughout the 1970's, roughly half of all Georgia school districts have failed to use their full allotment of special education teacher units and aid. Ranking all Georgia school districts by the share of their special education aid allotment used in 1973, we find that the lowest quintile of school districts had an average utilization rate of only 63 percent. Yet, as Table III-6 shows, the highest quintile had an average utilization rate of 116 percent, the maximum utilization rate equaling 116 percent.

Although the range is not as great, the disparity in aid utilization in Massachusetts is also substantial. For fiscal 1974, the year immediately prior to the implementation of Chapter 766, special education aid payments to Massachusetts cities and towns ranged from a low of $1.50 per public school pupil to a high of $154.23 per public school pupil. Ranking all cities and towns from low to high, we find, as Table III-7 shows, that the average special education aid payment in the lowest quintile was $7.46 per public school pupil while it was $61.26 in the highest quintile, a difference of about 800 percent.

Although we were unable to obtain data on aid payments for the first year of Chapter 766 in time to complete our analysis, we were able to acquire data on local special education instructional expenditures -- a close proxy. Like the aid data for the previous year, however, the expenditure data for fiscal 1975 indicate a marked disparity between the resources going to special education from one locality to the next. As Table III-8 shows, for example, the fiscal 1975 instructional expenditure for special education in Massachusetts ranged from a low averaging $311 per special education pupil in the lowest ranking quintile of cities and towns to a high of $1,714 per special education pupil in the highest quintile -- a difference of over 500 percent.

Importantly, it should not be assumed that communities which make high use of state special education have the highest special education participation rates. Nor, should it be assumed that localities which make the least use of special education aid have the lowest special program participation rates. There is, in fact, a great deal of evidence from both Georgia and Massachusetts that there are very few localities with both high special education participation rates and high cost-high aid special education programs. And just as true, there are very few localities with both very low participation rates and very low cost-low aid levels.

Both in Georgia and Massachusetts, most local education agencies are likely to follow one of two strategies in allocating special education aid among handicapped children.

Some places attempt to spread available dollars among as many pupils as possible -- a strategy which is sometimes called "symbolic allocation." Other communities, in contrast, tend to focus available dollars as much as possible on a relatively small number of pupils.

Evidence of the symbolic allocation strategy is especially strong in Massachusetts. Perhaps because of the Commonwealth's exceptionally strong service mandate, possibly due to the strength and persistence of special education interest groups, many cities and towns seem to be "stretching" available dollars as far as possible. As Tables III-9 through III-12 show, for example, cities and towns with low cost and low aid levels frequently have special education rates every bit as high or higher than occur in communities with much higher cost and aid levels.

One of the factors which may facilitate symbolic allocation in Massachusetts is the "least restrictive classroom environment" concept of Chapter 766. As Table III-13 shows, the state's lowest cost localities are far more likely to place their handicapped pupils in regular classroom settings than in specialized facilities outside the regular classroom. The quality of service resulting from this strategy, however, seems questionable. As Table III-14 shows, for example, the pupil-staff ratio in the special education programs of the lowest cost communities is often far inferior to the ratio in the highest cost communities. Moreover, some low cost communities have pupil-staff ratios for special education programs which are not materially different than the pupil-staff ratios for the regular school programs of most cities and towns.

The Determinants of Aid Distribution and Allocation

The pattern of special education services and aid utilization in Georgia and Massachusetts, theoretically, could reflect variations in the prevalence of children with special needs. All our data, however, indicate that state aid for special education is distributed and allocated much more in relation to the priorities of local education agencies than in relation to either the availability of state funds or the likely prevalence of children with special needs. The determinants of local priorities in both Georgia and Massachusetts are very similar and include:

(1) the demands of local school patrons;
(2) the support of local school taxpayers;
(3) race;
(4) school district size;
(5) and, local professional capacity and leadership.

The Demands of Local Patrons

Socioeconomic status. During our school site visits in Massachusetts and Georgia, we asked superintendents, special education directors and teachers to identify some of the factors that were most responsible for the overall scope and quality of local special education programs. Almost invariably, the answer focused on the interest or disinterest of parents and other individuals who take an interest in school affairs.

Communities where public interest in special education was high almost invariably had greater special program service rates. Where interest was low, the availability of special programs was generally somewhat less than average, though as we will demonstrate subsequently, the relationship between patron interest and service availability is not perfectly symmetrical--low interest being less a determinant of local services than high interest.

While discussing the matter of community interest, we would frequently ask our school site respondents to identify the types of people who were most likely to demand special education programs. The answers were quite consistent with what one would expect. The most frequent calls for more and better services came from parents with special needs children who had professional or managerial occupations, and who were well above average in education and income. Apathy toward more abundant programs for handicapped children was most often associated with people who were poor, people who were suspicious of public officials, or people who would be inclined to hold very conservative social values.

This pattern was confirmed quite convincingly in our inspection of aggregate statistical data collected by state and federal sources which describe the special education service characteristics and population makeup of Georgia and Massachusetts school districts. As Tables III-15 through III-24 demonstrate, local education agencies with the most extensive and costly special education programs tend to have the highest concentrations of well-educated professional and managerial workers while those with the least extensive and lowest cost programs tend to have the highest concentrations of blue collar workers, and persons with below average levels of educational attainment. This generalization, however, requires two important qualifications.

First, it is apparent that the concentration of blue collar workers is a substantially more important determinant of special program services than the concentration of professional and managerial workers, and especially so in Georgia. As Tables III-15 through III-24 show, there is a far stronger relationship between service characteristics and the presence of blue collar workers than between service characteristics and the presence of professional and managerial workers. Data gathered from our school site interviews suggest three explanations for this relationship. First, but only true in Georgia, some blue collar parents would much rather have their children attend day training centers for the retarded than the regular public schools. These centers are operated by the State Department of Human Resources, developed in the days before local public schools were willing to serve handicapped children, and offer two services still not available in the public schools: one, year-round operation; the other, day care services beyond the limits of the normal school day. A second explanation, is that blue collar parents are frequently suspicious of school efforts to place their in special programs, fearing they will be regarded as "dummies," this anxiety, rather interestingly, seeming to be greater in Georgia where "labeling" is a standard practice than in Massachusetts where "labeling" is discouraged as a matter of state policy. And third, local schools often seem reluctant to develop high cost special needs services which cater to the interests of a relatively small number of professional parents when the concerns of blue collar parents may be very different -- blue collar parents frequently much more interested in vocational education than special education.

Another important complexity of the status service relationship is that the occupational and educational status of local communities has a somewhat more consistent impact on special education service characteristics in Georgia than in Massachusetts. As the standard deviations in Tables III-17 through III-24 indicate, one is much more likely to find exceptions to the social status-service relationship in Massachusetts than in Georgia. This fact has several implications. First, it suggests that state efforts to improve special education services in Georgia are somewhat more likely to be confounded by the character of local patron demands than in Massachusetts. Second, it implies, as we will demonstrate subsequently, that local school officials in Massachusetts have been more successful in developing special class services independent of weak patron demand than has been the case in most areas of Georgia. And third, it suggests that Georgia, Massachusetts and other states may find it very difficult to overcome their particular special education service deficiencies by any given "cookbook" formula. In all likelihood, each will find it necessary to develop policies suited to its own peculiar situations.

The Support of Local Taxpayers

The supply of special education, like any public service, depends not only on the demands of service advocates, but also on the willingness of taxpayers to provide the necessary fiscal resources. As we have demonstrated previously, both Georgia and Massachusetts have attempted to reduce the impact of local taxpayer preferences on the supply of special education by developing aid policies and programs which shift a high share of responsibility for special education funding to the state level. One might expect, therefore, that the availability of special education services would have little to do with local fiscal conditions. It is clear from our statistical analysis and school site interviews, however, that this is not the case.

The impact of local wealth on the availability of special education services in Massachusetts is direct and strong. As Tables III-25 through III-29 indicate, Massachusetts cities and towns providing the most extensive or costly special education services almost always have greater income wealth or property wealth than localities with the poorest services. The connection between special education services and local wealth in Georgia is much less apparent. As Tables III-30 and III-31 indicate, special education aid utilization and special education participation rates in Georgia show almost no relationship to income wealth, services being often as limited in high-income communities as in low-income communities. Services, however, are linked somewhat to local property wealth. As Table III-32 shows, special education participation rates in Georgia's localities with the least property wealth are far below the rates elsewhere in the state. Similarly, as Table III-33 demonstrates, the utilization of special education aid allotments increases directly and consistently with the magnitude of the local tax digest. This, however, does not mean that poor communities with limited special education services exhibit little fiscal effort. Indeed, as Tables III-34 through III-38 suggest, many communities with relatively limited special education services make as much tax effort as communities with relatively extensive or costly services.

The influence of local wealth on the availability of special education services in both Georgia and Massachusetts can be attributed directly to the design of their special education aid forumlas. In Massachusetts, the service-wealth relationship results largely because the special education formula offers substantially stronger service incentives to wealthy places than to poor places. As we have pointed out previously, Chapter 766 can provide affluent communities substantially more revenue than Chapter 70. Equally important, Chapter 766 can be exploited by rich communities with substantially less fiscal risk than by poor communities. As respondents in our school site interviews emphasized repeatedly, aid reimbursements under Chapter 766 are certain only after all local education agency expenditures for special education are known. Thus, if a community spends at a rate that exceeds 110 percent of the state average excess cost, it must absorb all of the overrun through local taxes. This prospect, however, is far more serious in a poor community than in a rich one since any fixed amount of cost overrun will require a much greater tax adjustment on a small tax base than on a large tax base.

The service-wealth relationship in Georgia also results from the special education aid formula, but much less directly than in Massachusetts. The special education aid formula in Georgia, importantly, provides no distinct advantages to rich communities. Its principal shortcoming is its failure to compensate for wealth-related pressures against service development in poor places.

As we have indicated previously, one might expect all Georgia school districts to view special education aid as "free" money. Any community which rejects its full special education aid entitlement wastes a portion of its foundation aid chargeback. Moreover, the level of special education aid is high enough so that most cities and counties can operate programs for handicapped children at little or no direct cost to local taxpayers. These facts, however, have very little bearing on special education aid utilization in Georgia's relatively poor school districts.

Special education aid utilization in Georgia's poor school districts lags behind aid utilization in wealthy districts for two reasons. As we have pointed out previously, most of Georgia's poor communities have large concentrations of residents who are unlikely to demand strong special education services. Put another way, low property wealth and low social status in Georgia are virtually synonomous, much more closely related than in generally more differentiated communities common to urban states like Massachusetts. Weak demand, however, does not explain low aid utilization in and of itself. Lack of wealth intrudes just as much or more.

Lack of wealth becomes an operative influence on special education aid utilization for several reasons. First, it limits the ability of local school officials to provide "sweeteners" to staff members and members of the community who may oppose the improvement of any program without some *quid pro quo*. Superintendents who participated in our interviews indicated several times, for example, that they would find it very difficult to develop programs for handicapped children unless they were able to find the resources necessary to reduce the work load of their regular teachers. To paraphrase one superintendent, "If I spent a lot of money on handicapped kids before I got less than 30 kids in most of our regular classes, the teachers would become even more demoralized than they are already."

One might argue, of course, that superintendents sometimes use teacher attitudes as justifications for decisions which have been dicatated by other considerations. Whether one accepts this point of view, however, depends to some degree on the importance that one attaches to other wealth-related determinants of special education aid utilization.

One of these influences is the popular attitude toward property taxes which prevails in most of Georgia's relatively poor communities. Throughout our visits in poor school districts, we were told repeatedly that local residents were so opposed to increased local taxes that school board members and other decisionmakers would avoid developing any new program which eventually might require funding from local sources. Admittedly, some may think that this is a preposterous allegation. There is a substantial amount of independent evidence, however, which gives it credence.

Perhaps the best corroboration comes from Ryles' 1971 survey of Georgia's citizen attitudes.[50] While this study does not correlate citizen attitudes toward taxes with local wealth directly, it does examine relationships between tax attitudes and two proxies for wealth, educational attainment and race. Among other things, it shows that more than 58 percent of Georgia citizens with less than a high school education think their local property taxes are "too high." In marked contract, only about 41 percent of Georgia residents with better than a high school education feel the same way. Similarly, while only 45 percent of Georgia's whites think their property taxes are "too high," the share of its blacks who feel this way approaches 57 percent.[51]

Acknowledging popular attitudes toward property taxes, officials of many cities and counties for many years made a conscious attempt to keep real estate assessments as low as possible, often well below the 40 percent assessment ratio mandated by state law. This practice not only allowed local officials substantial leeway in discriminating between political friends and enemies, but also had the added advantage of providing school aid windfalls since, as we have pointed out previously, more state aid is paid to communities that are property-poor than to those that are property-rich. From the outset of the Carter Administration, however, the state has made a concerted effort to put an end to improper assessments and in the process inadvertantly generated even greater pressure against aid utilization in poor communities. Often having among the lowest assessment ratios in the state, poor cities and counties have found themselves having to pay increasingly higher foundation aid chargebacks as their property values have been reappraised. Accordingly, the normally strong pressure against program development in some cases has grown even stronger. Taxes for additional local leeway in some localities have been simply out of the question.

Fortunately, the shock of revaluation now appears to be subsiding and becoming less of an influence. One sign of this change, for example, is the recent rate of success among local school bond referendums. What cannot be denied, however, is that there is strong evidence that liberal state funding of special education costs may not be sufficient to insure adequate services. Other variables can offset its value and must be controlled if the objection of providing an appropriate education to all handicapped children is to be realized.

Other Influences

While patron demands and taxpayer attitudes tend to set the overall pattern of special education aid utilization, other factors often play a role of considerable importance. One of these factors is race. Others include: school district population; professional capacity and the presence of extraordinary educational leadership.

Race.

Throughout the course of our study we made a concerted effort to assay the impact of racial factors on the utilization of special education aid since we were well aware of numerous reports which conclude that minority children are often placed in special education programs at a rate that is disproportionate to their number. Our general conclusion is that racial factors can affect the utilization of special education aid, but that their influence is secondary to the impact of patron demands and taxpayer support and often not readily apparent. Indeed, both in the overall relationship between aid utilization and race is virtually random.

In Massachusetts, black children are, if anything a disproportionately small share of special education classes. Statewide, the public school population as a whole is 4.0 percent black while the special class population is slightly less, about 3.9 percent. Equally important, the percentage of black children in special education programs tends to fall somewhat as the share of all pupils in special education rises. As Table III-39 shows, for example, the Massachusetts cities and towns ranking in the lowest special education participation rate quintile have a substantially greater black representation in special education than the cities and towns ranking in the highest three participation rate quintiles. Similarly, as Table III-40 discloses, there is an entirely random relationship between special education aid payments and the percentage of special education enrollment identified as black.

In Georgia, the overall relationship between special education program characteristics and race appears very similar to that in Massachusetts. As Table III-41 shows, Georgia's special education participation rates at the local level bear almost no relation to the concentration of nonwhites. Similarly, as Table III 42 indicates, Georgia's special education aid utilization rates are slightly related to the concentration of nonwhites, but so weakly that one can find many predominantly white school districts that use their special education aid allotments to a much greater extent than many heavily black school districts.

Throughout our analysis, we could find only one sign of systematic racial discrimination in the operation of Georgia's special education programs: a preponderance of black pupils in classes for the retarded. As Table III-43 points out, for example, the share of special education pupils classified as educable mentally retarded increases sharply with the percentage of the school district population that is black. We would caution anyone, however, from reading this relationship as an indisputable sign of racial discrimination for several reasons.

First, a large share of black children classified as retarded are found in heavily rural school districts which have had a difficult time in recruiting special education personnel with a wide range of training. These communities, when they can obtain personnel, almost always find their selection limited to teachers with specializations in mental retardation and speech therapy. Whether we talked with local officials, state officials, or representatives of child advocacy groups, the explanation for this condition was almost always the same and not related to race. Simply put, most special education professionals are not interested in working in the "boondocks," far-removed from the advantages of urban living. And equally important, there is little that most rural communities can do to overcome this life-style bias. They tend to be far-removed from Georgia's most-specialized special education training programs, these programs concentrated for the most part within 70 miles of Atlanta. Generally poor, they find it difficult to offer salary incentives for teachers who take specialized in-service training. And equally important, there is little any school district can do to compel its workforce to take in-service training in special education. Under present law, any teacher once employed is free to obtain certification in any professional field he or she wishes.

A second reason for the concentration of black children in special education programs is local weakness in diagnostic personnel and facilities. While we never found a poor rural school district without a psychometrist, we rarely found a poor rural school district with easy access to psychologists, psychiatrists, or other personnel with more advanced training in the identification and evaluation of handicapping conditions. In a number of cases, for example, we found situations where only one school psychologist had to be shared by two or three counties. We would add, however, that we visited a number of school districts where part of the shortage in diagnosticians may have resulted as much from bureaucratic inertia and lack of intergovernmental cooperation as anything else. Superintendents in several school districts, for example, indicated no awareness of diagnostic programs operated by nearby non-education agencies. Moreover, even those who were aware of such programs tended to have only the vaguest idea of what they entailed. It should not be surprising, therefore, that we found frequent signs of rather haphazard testing and evaluation. Children suspected of retardation, for example, were often said to be evaluated only on the basis of one test, typically a WISC or Stanford-Binet. Contrary to the impression given by some recent studies, however, most personnel of rural school districts seemed quite worried about the problem of distinguishing between children who are organizally retarded and those who suffer from reversable effects of poverty and social deprivation. Superintendents would say to us over and over, "Look, I'll be the first person to admit that our special classes are predominantly black." Then, they would add words to the following effect: "But we never put a black child in a special class until we check with our black teachers."

A third reason for the high rate of black placements in special classes relates to scarcity of educational resources. Many Georgia school districts, especially poor rural ones, have relatively unfavorable pupil-teacher ratios. Thirty or more children in a class is a common phenomenon and often creates severe obstacles to overcoming the educational needs of deprived minority children. Thus, to paraphrase more than one official we interviewed, the schools have a choice: they can leave black children who are not doing well in overcrowded regular classes or they can place them in much smaller classes. Placement in special classes, it was admitted, may not be technically correct, but in the short run opposition to increased local taxes often leaves no realistic alternative.

Not surprisingly, a few respondents in our interviews suggested that the difficulty of raising local school taxes in some communities is related directly to racial prejudice. One official at the state level, for example, suggested that the growth of white academies made it almost impossible for some counties to raise local taxes above the absolute minimum required to participate in the state foundation aid system. Our previous analysis of special education services and local tax effort, however, leads us to believe that resistance to higher taxes is related more to lack of wealth and ingrained antipathy toward property levies than anything else. The effect of racial attitudes on tax behavior, nonetheless, remains an open question and deserves much more rigorous investigation than was possible within the scope of this study.

Population Size. Another factor affecting special education aid utilization is school district population size. Rich or poor, black or white, small school districts seem to have a much more difficult time operating special education programs than large ones. As Tables III-43 through III-49 indicate, however, the impact of population size is not immutable. Significant numbers of localities appear able to escape the effects of small size and sparse settlement which seem to inhibit service elsewhere.

Community size, unfortunately, is very difficult to separate from a wide array of other variables. Small school districts in both Georgia and Massachusetts tend to be rural, poor, and lacking in strong professional staff. Large school districts tend to be quite the opposite. Accordingly, it is not always clear whether the relationship between size and special education service is real or spurious. Our school site interviews suggest fairly strongly, however, that size can exert a significant independent influence on service levels.

Most importantly, small school districts frequently fail to generate sufficiently large special needs pupil populations in order to warrant the hiring of staff equipped to deal with a wide range of handicapping conditions. To paraphrase more than one local school superintendent, it is very difficult to convince a school board that it should hire a specialized teacher to work with only one or two pupils. Recognizing this, both Massachusetts and Georgia have encouraged the development of interlocal service arrangements in sparse areas. It is our impression that the emphasis on the flexible, ad hoc the service consortium approach in Massachusetts may pay long term dividends. The emphasis on the much more formal Cooperative Educational Service Agency (C.E.S.A.) in Georgia, in contrast, strikes us as somewhat more problematic. Throughout our school site visits, as well as during our interviews with C.E.S.A. officials, we sensed that Georgia's relatively rigid regional service arrangements may be hamstrung by many of the same kinds of "control" issues which have been generated by similar institutions in other states. Indeed, the most extensive interlocal cooperation in Georgia seems to be concentrated in shared-service programs operated in the vicinity of Waycross and Thomasville under the aegis of the Waycross Program for Execptional Children (WAYPEC) and the Southwest Georgia Program for Exceptional Children (SWGPEG). We must emphasize, however, that the scope of our study did not permit a rigorous analysis of alternative approaches to regional cooperation across small school districts. Our judgments on this matter are quite tentative and may not hold up upon closer inspection.

Importantly, it should not be assumed that population growth extinguishes the effects of size on service. Both aggregate statistics and data gathered during the course of our school site interviews suggest that population growth may prolong special education service lags. As Table III-50 shows, for example, there is some evidence in Georgia that the most rapidly growing school districts have been among those ranking lowest in the rate of special education aid utilization. The explanation for this behavior seems twofold. First, rapidly growing school districts tend to become preoccupied with the task of accomodating additional bodies rather than focusing on the problem of developing particular educational programs. Behavior, in short, seems compelled by a logic stated succinctly in that old maxim: "When you're crawling in alligators, you don't think about draining the swamp." Second, much of Georgia's population growth is centered in communities on the rural periphery of existing metropolitan areas which often have very limited tax bases and large concentrations of low-status families who do not tend to demand strong special education services. Thus, there is little sentiment which is likely to divert school officials from the task of accomodating growth to the task of building better programs.

Professional Capacity. Another major factor influencing the utilization of special education aid is the professional capacity and leadership of local school administrators and staff. Comparisons between Georgia and Massachusetts in this area are difficult since it is hard to separate professional capacity from such other factors as funding levels, and political traditions between the state and local governmental units. Nonetheless there appear to be fundamental differences between the programs of the two states which are rooted in the basic capacities of each system.

Massachusetts is one of the leading states in terms of quality of education services. There is a tradition of high quality, innovative education, and especially so in some of the communities immediately adjacent to Boston. The role of the professional educator is highly respected, and there is substantial political tolerance for specialization and professionalism. The sophistication of programs is impressive. One district of under 10,000 students, for instance, claimed to have over 200 teachers and specialists involved in special education. This staff included school psychologists, therapists with a variety of specialists, teacher trainers, teacher aides and even the part-time services of board-qualified psychiatrists. This program is not typical in Massachusetts, but there were several others which offered a comparable range of services. One such district, in fact, declined active participation in the state program, and consequently forfeited considerable reimbursement. For many years it had been providing a very high level of services to children with special needs and it did not welcome interference from the State Department of Education. It preferred to pay for special education with local taxes and maintain their autonomy. In Georgia, even in the larger cities, there were no special education programs to match these high service programs in Massachusetts. In the judgment of our interviewers, it appeared that special education was a rather different thing in each state.

The impact of the number of professionals on the staff was also apparent within each of the states. Our in-depth interviews indicated that the number of special education professionals on a staff, and their aggressiveness in terms of program development, explained this differential ability to mobilize special education funds. As explained earlier, there is no equalization factor build into Chapter 766, and the wealthier and/or more aggressive districts are able, through their larger and more specialized staffs, to gain a relatively large share of the special education funds.

The capacity of a local system to build a professional staff appears to be tied to the relative wealth of the district in terms of assessed property valuation behind each student and the per capita income of district residents creating a tendency for the "rich to get richer." This is particularly true in Massachusetts where there is such a strong reliance on local property taxes. A district with sufficient funds to hire an aggressive and/or more specialized staff is doubly blessed. It not only has more local funds to allocate, but their staffs are also more effective in mobilizing grant funds for them from outside sources. Chapter 766 lends itself expecially well to this type of mobilizing. First, the state "pot" from which 766 funds are drawn is relatively large and wealthy districts see 766 as one of their best ways to mobilize funds from the state. Second, high spending districts, because of the broad range of services they offer as part of their regular program, can always qualify for the maximum state reimbursement by submitting claims for every conceivable "special service." Given the difficulty of clearly defining special education services, the possibility of building a plausible argument for including a broad range of educational activities under the rubric of special education is rather high. High spending districts cannot hope to have all items they submit qualify, but there will always be enough items that will qualify to entitle the district to the maximum reimbursement. Also, as these districts submit high claims for reimbursement, they drive up the state average of excess costs, thereby increasing the maximum amount of reimbursement. Third, districts with aggressive special education staffs understood the provisions of Chapter 766 well enough to take full advantage of the hold harmless provision. Several districts we interviewed were able, by 1974, to establish a base which was two or three times higher than their entitlement would have been under the formula for reimbursement at 110% of the state average of excess costs.

The System of Mobilization and Allocation

Much of what will be discussed in this section has been touched upon above. Further discussion in the context of the total institutional framework will serve to sharpen our understanding of the effect of several key factors and add an alternative or supplimental interpretation for some of the patterns of allocation which have already been discussed.

In earlier research on the patterns of allocation of federal funds from Title I of the Elementary and Secondary Education Act, we found one factor -- the number and character of the income sources of a district -- that greatly influenced the manner in which federal aid funds were used by individual districts.[52] In that earlier analysis it was argued that as a district's income sources increased and/or were relatively more productive it was possible for policy-makers in the district to mold aid funds they received from any one source to fit the priorities of the local district. Such an analysis focuses on the behavior of the supplier or producer, as opposed to our earlier focus on the "Demands of Local Patrons." Our study of allocation patterns in special education indicates that analyses from both the demand and supply perspectives are needed to understand variations in mobilization and and allocation of special education resources by local school districts.

Income Sources. In the section "Demands of Local Patrons" we established that high spending or high enrollment districts are relatively well off in terms of assessed valuation per pupil. Even with the relatively modest tax rates the levy on this property, they raise substantial revenues. Also, residents are willing to tolerate a relatively high tax burden on personal income. In the earlier section on demand, it was implied that the differences in expenditures were responsive to the perferences of the local residents. This interpretation of this data only partially explains variations in the size of the special education programs. The behavior of the districts in mobilizing resources also plays a role. Districts increase their resource base and manipulate the resources they have through the budget strategies of "marginal mobilizing" and "multi-pocket budgeting."

Through the strategy of marginal mobilizing a district will work to expand their resource base by concentrating on those income sources which will yield the highest returns relative to the time invested. The special education legislation was passed in Massachusetts in the midst of a taxpayer revolt. Even in some of the more affluent communities surrounding Boston, tax conscious school communities were elected. This has meant that the patrons of school districts which we have identified as high spending and high enrollment have not had patrons who would be willing to support substantial increases in any school program. These districts, along with others even less fortunate because of their less productive local property tax bases, have been having difficulty keeping pace with inflation. Chapter 766 gave the more aggressive of these districts an excellent opportunity to shift their mobilization efforts from their normally very productive local tax base to a source of funding, the state government, which had not been very productive for them because of their high relative wealth in property. These districts had a strong competitive advantage over less affluent districts in mobilizing these funds because of their highly skilled and highly specialized staffs. Without changing any programs it was possible for them to obtain state funding for special programs they had already been providing, and to pay fully for increases that were mandated by Chapter 766. Our in-depth interviews indicated severe taxpayer resistance in many of the high expenditure and high enrollment districts, but found that they had still been able to provide high quality special education programs. Much of this was possible because these districts had, often rather unconsciously, marginally mobilized the increased funding from Chapter 766.

Multi-pocket budgeting is a strategy which involves the manipulation of a variety of income sources, spending the most restricted first, and committing the least encumbered last. By following this strategy, local districts often are able to pursue their own priorities even when they must rely on a series of categorical grants for their support. In our analyses we have found that the wealthy districts were more able to use this strategy of multi-pocket budgeting. The strategy of marginal mobilization might not have provided a substantial advantage if the effects of these new moneys had been restricted to only special education. However, wealthy districts were able, without violating the provisions of 766 in any way, to list for reimbursement many of the activities that they were already providing. In other words, they were able to list those activities they were already doing and seek reimbursement for them from a relatively restricted categorical fund (or pocket), leaving their more unrestricted funds for other purposes. Wealthy districts again had a relative advantage in multi-pocket budgeting, as they did in marginal mobilization, because they were already performing many activities which qualified for special education aid.

Conclusions: Why the Wealthy Win

In summary, we have found three explanations for concentrations of special education funds in relatively wealthy school districts. First, the residents of these districts are well-educated and prosperous. They are concentrated in educationally-based occupations, and therefore appear to have stronger preferences for higher quality education than residents in lower spending districts. Over the years these high spending and high enrollment districts have built up highly professional and specialized staffs, using funds which were available from local sources because of the willingness of local patrons to support education, and the capacity of the tax base to support relatively high levels of expenditure. These staffs are able to marginally mobilize from a relatively broad range of income sources, in large part because of their ability to specialize on and divide up their highly complex environments into more manageable segments. Further, these districts are able to adopt the strategy of multi-pocket budgeting more readily because of their more complex output mixes. Many services which they have provided as a part of their regular program qualify for reimbursement under various categorical programs. The special education program is not unlike other categorical programs in this respect. For instance, affluent schools were able to claim the maximum reimbursement under such programs as NDEA Title V-A because they were providing the science and mathematics programs as a part of their regular programs. They did not need to come up with new funds or change priorities. They merely had to fill in the forms for reimbursement.

The same is true of many of the high expenditure and high enrollment districts in special education. They have been able to take advantage of the aid without severe dislocations of their priorities or budgets.

To be sure, almost all districts we interviewed were making additions to their special education programs, or adjusting to the new requirements to provide services to all students. Nonetheless, our data show that some districts mobilize and allocate more special education dollars than others. Those districts which have the long term support of their patrons, which have a viable property tax base, and which have developed specialized and/or aggressive staffs exhibit a decided advantage in obtaining special education funds from the state governments.

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29. Massachusetts Teachers Association, *Research Bulletin*.

30. Chapter 71B, as amended by Chapter 766, Acts of 1972.

31. Arthur D. Little, *Services for Children: An Opportunity for Major Advances* (unpublished concept paper prepared for the Massachusetts Department of Education, 1976).

32. Jerome T. Murphy, *State Education Agencies and Discretionary Funds* (Lexington, Massachusetts: Lexington Books, 1974), pp. 27-51. Peggy M. Siegel, *State Policy Making for the Public Schools of Massachusetts* (The Educational Governance Project, Ohio State University, February, 1974), pp. 138-188.

33. Murphy, *State Education Agencies*, p. 30.

34. Siegel, *State Policy Making*, pp. 138-188.

35. Technically, this legislation was updated under Georgia's Adequate Program (APEG) reforms of 1974, but remains essentially the same as when enacted in 1968.

36. Georgia Department of Education, Division of Financial Services, "Brief Summary of the Adequate Program for Education in Georgia As Financed for Fiscal Year 1976" (Atlanta, July, 1975).

37. Some regulations were *de facto* and not included in a formal written document.

38. State of Georgia, Department of Education *Special Education Regulations and Procedures* (July, 1975).

39. *Ibid.* p.5.

40. *Ibid*. p.18.

41. "Mental Retardation, Educable," Elementary Level. (Untitled, undated mimeo).

42. Robert K. Crabtree, "The Politics of The Special Education Law in Massachusetts," *The Massachusetts Teacher*, (May/June, 1973), pp. 14-19.

43. Chapter 71B, as amended by Chapter 766, Section 21, Acts of 1972.

44. U.S. Department of Health, Education, and Welfare, Office of Education, *Public School Finance Programs*.

45. Commonwealth of Massachusetts, Department of Education, Bartley-Daly Act--766--Massachusetts Regulations (May 28, 1974), Section 306, pp. 11-13.

46. Ibid., Section 320, pp. 21-22.

47. Ibid., Section 311, pp. 15-16.

48. Ibid., Section 406, pp. 43-44.

49. National Conference of State Legislatures, Washington

50. Ryles, Goals for Georgia

51. Ibid.

52. David O. Porter and others, The Politics of Budgeting Federal Aid: Resource Mobilization by Local School Districts (Beverly Hills, California: Sage Professional Paper in Administration and Policy Studies, 03-003, 1973).

Table III-1

State-Funded Special Education Teacher Units In Georgia, FY 1965 to 1975

	State-Funded Special Education Teacher Units	
Fiscal Year	Number	Percent Change Relative to Previous Year
1965	650	13.0%
1966	810	24.6
1967	968	19.5
1968	1,125	16.2
1969	1,275	13.3
1970	1,425	11.8
1971	1,925	35.1
1972	2,583	34.2
1973	3,300	27.8
1974	4,360	32.1
1975	5,030	14.7

Table III-2

Georgia School Districts: Special Education Pupils As A Percent of Average Daily Attendance By Quintile, FY 1973

Quintile	Mean	Standard Deviation	Minimum	Maximum
	Special Education Pupils As A Percent of Average Daily Attendance, FY 1973			
1	2.0%	0.8%	0.0%	3.1%
2	4.1	0.5	3.2	5.0
3	6.0	0.6	5.1	7.2
4	8.6	0.9	7.2	10.1
5	15.1	4.5	10.2	31.4*

*This figure probably is too high. Checks with several local education agencies showing very high service rates. Suggest that these rates result more from reporting errors than anything else.

Table III-3

Massachusetts Cities and Towns: Special Education Pupils as a Percent of Net Average Membership (N.A.M.) by Quintile, FY 1975

	Special Education Pupils as a Percent of N.A.M., FY 1974			
Quintile	Mean	Standard Deviation	Minimum	Maximum
1	2.5%	1.0%	0.1%	4.0%
2	5.3	0.6	4.2	6.1
3	6.8	0.4	6.1	7.5
4	8.6	0.7	7.5	9.8
5	13.8	3.2	10.0	23.1

Table III-4

Georgia School Districts: Percent Distribution of Special Education Pupils by Program Type Within Quintiles of Special Education Pupils as A Percent of Average Daily Attendance, FY 1973

Quintile	Special Education Pupils as a Percent of Average Daily Attendance FY 1973	Percent of Special Education Pupils by Type									
		TMR	EMR	BD	SLD	SI	HI	VI	MH	HH	G
1	2.0%	3.5%	88.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.5%	0.0%
2	4.1	1.6	82.7	3.1	2.3	2.1	0.3	0.0	0.2	3.0	4.7
3	6.0	1.1	70.0	0.3	4.1	17.4	2.1	0.2	0.0	1.8	4.7
4	8.6	3.0	45.7	0.8	5.8	25.4	1.1	0.3	0.1	2.9	1.5
5	15.1	2.9	48.7	3.2	3.3	18.4	0.3	0.2	0.3	3.6	18.9

Key to Abbreviations

T.M.R. - Trainable Mentally Retarded
E.M.R. - Educable Mentally Retarded
B.D. - Behavioral Disorders
S.L.D. - Specific Learning Disabled
S.I. - Speech Impaired
H.I. - Hearing Impaired
V.I. - Visually Impaired
M.H. - Multi-handicapped
H.H. - Hospital-Homebound
G. - Gifted

Table III-5

Massachusetts Cities and Towns: Percent Distribution of Special Education Pupils by Program Type Within Quintiles of Number of Children Receiving Special Education as a Percent of Net Average Membership, FY 1975

Quintile	Number of Children Receiving Special Education As A Percent of Net Average Membership (NAM) FY 1975	Mentally Retarded	Physically Handicapped	Partly Seeing	Speech-Hearing Impaired	Emotionally Disturbed	Perceptual Handicapped	Legally Blind	Deaf	Hearing Impaired	Multi-Handicapped	Other
1	2.5%	26.8%	1.9%	0.3%	14.1%	9.7%	34.9%	0.3%	0.2%	0.7%	3.3%	7.9%
2	5.3	12.2	1.0	0.3	27.8	5.3	39.3	0.3	0.2	0.9	2.7	8.8
3	6.8	8.8	0.8	0.2	31.5	5.9	42.1	0.3	0.3	0.4	2.8	7.3
4	8.6	8.9	1.4	0.2	25.4	5.8	42.1	0.1	0.4	0.7	3.3	10.6
5	13.8	5.0	1.3	0.3	22.4	5.1	34.2	0.1	0.2	0.7	4.0	23.9

Table III-6

Georgia School Districts: Special Education Aid Payment Relative to Special Education Aid Allotment by Quintile FY 1973 (Base=100)

	Special Education Aid Payment Relative to Special Education Aid Allotment, FY 1973 (Base=100)			
Quintile	Mean	Standard Deviation	Minimum	Maximum
1	63	25	0	87
2	93	2	89	95
3	98	2	95	101
4	104	2	101	107
5	116	12	107	168

Table III-7

Massachusetts Cities and Towns Ranked by Quintiles of State Aid for Special Education Per Net Average Membership (N.A.M.), Paid for FY 1974

	State Aid for Special Education per N.A.M.			
Quintile	Mean	Standard Deviation	Minimum	Maximum
1	$7.46	$3.91	$1.50	$15.22
2	21.86	2.99	16.03	26.47
3	30.51	2.72	26.56	35.09
4	39.24	2.94	35.09	44.91
5	61.26	20.94	44.97	154.23

Table III-8

Massachusetts Cities and Towns: Ranked by Quintiles of Special Education Instructional Expenditure per Special Education Pupil Served FY 1975

	Special Education Instructional Expenditure per Special Education Pupil Served FY 1975			
Quintile	Mean	Standard Deviation	Minimum	Maximum
1	$ 311	$ 148	$ 0	$ 506
2	593	58	509	708
3	814	58	709	915
4	1055	82	920	1182
5	1714	474	1196	3332

Table III-9

Massachusetts Cities and Towns: Number of Children Receiving Special Education as a Percent of Net Average Membership (N.A.M.) FY 1975 Within Quintiles of Special Education Aid per N.A.M. Paid For FY 1974

Quintile	Special Education Aid per N.A.M. Paid For FY 1974	Number of Children Receiving Special Education as a Percent of N.A.M. FY 1975	
		Mean	Standard Deviation
1	$ 7.46	8.1%	5.7%
2	21.86	7.1	4.5
3	30.51	7.4	3.8
4	39.24	7.4	4.2
5	61.26	7.6	3.4

Table III-10

Massachusetts Cities and Towns: Number of Children Receiving Special Education as a Percent of Net Average Membership (N.A.M.) FY 1975 Within Quintiles of Special Education Instructional Expenditure per Special Education Pupil Served, FY 1975

Quintile	Special Education Instructional Expenditure per Special Education Pupil Served, FY 1975	Number of Children Receiving Special Education as a Percent of Net Average Membership (N.A.M.) FY 1975	
		Mean	Standard Deviation
1	$ 311	8.5%	5.3%
2	593	8.1	4.1
3	814	7.4	4.1
4	1055	6.4	3.1
5	1714	7.0	3.0

Table III-11

Massachusetts Cities and Towns: Special Education
Instructional Expenditure per Special Education
Pupil Served, FY 1975 Within Quintiles of
Number of Children Receiving Special Education
As a Percent of Net Average Membership (N.A.M.)
FY 1975

Quintile	Number of Children Receiving Special Education as a Percent of Net Average Membership (N.A.M.) FY 1975	Special Education Instructional Expenditure per Special Education Pupil Served, FY 1975	
		Mean	Standard Deviation
1	2.5%	$ 947	$561
2	5.3	918	608
3	6.8	1004	468
4	8.6	928	505
5	13.8	755	431

Table III-12

Massachusetts Cities and Towns: State Aid For Special Education per N.A.M., FY 1974 Within Quintiles of Number of Children Receiving Special Education as a Percent of Net Average Membership (N.A.M.) FY 1975

Quintile	Number of Children Receiving Special Education as a Percent of Net Average Membership (N.A.M.) FY 1975	State Aid for Special Education per N.A.M., FY 1974	
		Mean	Standard Deviation
1	2.5%	$10.90	$12.36
2	5.3	35.42	15.73
3	6.8	37.32	13.76
4	8.6	40.14	24.64
5	13.8	37.68	23.86

Table III-13

Massachusetts Cities and Towns: Percent of Special Education Pupils by Program Type* Within Quintiles of Special Education Instructional Expenditure per Special Education Pupil Served FY 1975

Quintile	Special Education Instructional Expenditure per Special Education Pupil Served FY 1975	Percent of Special Education Pupils by Program Type*				
		Modified	25 Percent Time Out	60 Percent Time Out	Substantially Separate	Other
1	$ 311	22.8%	58.0%	7.8%	4.1%	7.3%
2	593	13.0	67.3	6.4	6.2	7.1
3	814	19.9	51.5	8.5	6.9	13.2
4	1055	13.0	60.3	8.3	8.3	10.1
5	1714	13.7	58.6	11.7	6.7	9.3

* Weighted means.

Table III-14

Massachusetts Cities and Towns: Special Education Pupil-Staff Ratio, FY 1975 Within Quintiles of Special Education Instructional Expenditure Per Special Education Pupil Served FY 1975

Quintile	Special Education Instructional Expenditure per Special Education Pupil Served FY 1975	Special Education Pupil-Staff Ratio, FY 1975	
		Mean	Standard Deviation
1	$ 311	16.3	16.0
2	593	16.6	7.8
3	814	12.6	8.0
4	1055	*	*
5	1714	10.0	6.3

* Mean is distorted badly by two "outlier" observations which seem to involve erroneous reporting.

Table III-15

Massachusetts Cities and Towns: Professional and Managerial Workers as a Percent of Persons Employed, 1970 Within Quintiles of Special Education Pupils as a Percent of N.A.M., FY 1975

Quintile	Special Education Pupils as a Percent of N.A.M., FY 1974	Professional and Managerial Workers as a Percent of Persons Employed, 1970	
		Mean	Standard Deviation
1	2.5%	16.9%	6.3%
2	5.3	17.8	6.8
3	6.8	18.5	6.9
4	8.6	18.7	6.3
5	13.8	19.3	7.4

Table III-16

Massachusetts Cities and Towns: Professional and Managerial Workers as a Percent of Persons Employed FY 1970 Within Quintiles of Special Education Instructional Expenditure per Special Education Pupil Served FY 1975

Quintile	Special Education Instructional Expenditure per Special Education Pupil Served FY 1975	Professional and Managerial Workers as A Percent of Persons Employed, FY 1970	
		Mean	Standard Deviation
1	$ 311	16.3%	5.0%
2	593	16.9	6.4
3	814	18.0	6.9
4	1055	17.6	6.0
5	1714	22.3	7.8

Table III-17

Massachusetts Cities and Towns: Craftsmen, Operatives and Laborers as a Percent of Persons Employed, 1970 Within Quintiles of Special Education Pupils as a Percent of N.A.M., FY 1975

Quintile	Special Education Pupils as a Percent of N.A.M., FY 1974	Craftsmen, Operatives and Laborers as a Percent of Persons Employed, 1970	
		Mean	Standard Deviation
1	2.5%	34.0%	10.6%
2	5.3	32.8	10.5
3	6.8	30.8	11.6
4	8.6	30.1	11.0
5	13.8	30.8	9.3

Table III-18

Massachusetts Cities and Towns: Craftsmen, Operatives and Laborers as a Percent of Employed Persons, 1970 Within Quintiles of Special Education Instructional Expenditure Per Special Education Pupil Served FY 1975

Quintile	Special Education Instructional Expenditure per Special Education Pupil Served FY 1975	Craftsmen, Operatives and Laborers as a Percent of Employed Persons, 1970	
		Mean	Standard Deviation
1	$ 311	36.2%	8.7%
2	593	33.9	11.0
3	814	31.4	10.0
4	1055	31.8	10.9
5	1714	25.3	17.7

Table III-19

Georgia School Districts: Professional and Managerial Workers As A Percent of Persons Employed 1970 Within Quintiles of Special Education Pupils As A Percent of Average Daily Attendance, FY 1973

Quintiles	Special Education Pupils As A Percent Of Average Daily Attendance, FY 1973	Professional And Managerial Workers As A Percent Of Persons Employed, 1970	
		Mean	Standard Deviation
1	2.0%	18.3%	3.5%
2	4.1	18.1	4.5
3	6.0	20.3	6.7
4	8.6	22.7	5.9
5	15.1	22.6	8.2

Table III-20

Georgia School Districts: Professional and Managerial Workers as a Percent of Persons Employed, 1970 Within Quintiles of Special Education Aid Payment Relative to Special Education Aid Allotment, FY 1973 (Base=100)

Quintile	Special Education Aid Payment Relative to Special Education Aid Allotment, FY 1973 (Base=100)	Professional and Managerial Workers as A Percent of Persons Employed, 1970	
		Mean	Standard Deviation
1	63	19.8%	5.6%
2	93	20.5	7.3
3	98	19.6	4.5
4	104	20.2	5.1
5	116	21.6	8.2

Table III-21

Georgia School Districts: Craftsmen, Operatives and Laborers As A Percent Of Persons Employed 1970 Within Quintiles of Special Education Pupils As A Percent of Average Daily Attendance, FY 1973

Quintiles	Special Education Pupils As A Percent Of Average Daily Attendance, FY 1973	Craftsmen, Operatives and Laborers As A Percent of Persons Employed 1970	
		Mean	Standard Deviation
1	2.0%	46.0%	7.7%
2	4.1	42.4	9.3
3	6.0	39.6	11.2
4	8.6	41.3	8.6
5	15.1	39.7	9.3

Table III-22

Georgia School Districts: Craftsmen, Operatives and Laborers as a Percent of Persons Employed 1970 Within Quintiles of Special Education Aid Payment Relative to Special Education Aid Allotment, FY 1973 (Base=100)

Quintile	Special Education Aid Payment Relative to Special Education Aid Allotment, FY 1973 (Base=100)	Craftsmen, Operatives and Laborers as a Percent of Persons Employed 1970	
		Mean	Standard Deviation
1	63	45.1%	8.6%
2	93	42.4	11.0
3	98	41.3	9.6
4	104	40.4	8.0
5	116	39.9	9.6

Table III-23

Georgia School Districts: Median Years Education Within Quintiles of Special Education Pupils As A Percent of Average Daily Attendance, FY 1973

Quintile	Special Education Pupils As A Percent Of Average Daily Attendance, FY 1973	Median Years Education	
		Mean	Standard Deviation
1	2.0%	9.1	0.8
2	4.1	9.2	0.8
3	6.0	9.8	1.2
4	8.6	9.9	1.2
5	15.1	9.8	1.3

Table III-24

Massachusetts Cities and Towns: Median Years Education Within Quintiles of Number of Children Receiving Special Education as a Percent of Net Average Membership (N.A.M.) FY 1975

Quintile	Number of Children Receiving Special Education as a Percent of Net Average Membership (N.A.M.) FY 1975	Median Years Education	
		Mean	Standard Deviation
1	2.5%	12.2	0.7
2	5.3	12.2	0.9
3	6.8	12.3	1.1
4	8.6	12.5	0.8
5	13.8	12.4	0.6

Table III-25

Massachusetts Cities and Towns: Median Family Income 1969 Within Quintiles of Special Education Aid per N.A.M. Paid For FY 1974

Quintile	Special Education Aid per N.A.M. FY 1974	Median Family Income 1969	
		Mean	Standard Deviation
1	$ 7.46	$10,677	$ 1,033
2	21.86	11,386	2,067
3	30.51	11,341	1,628
4	39.24	11,535	2,366
5	61.20	12,348	3,242

Table III-26

Massachusetts Cities and Towns: Median Family Income, 1969 Within Quintiles of Special Education Instructional Expenditure Per Special Education Pupil Served FY 1975

Quintile	Special Education Instructional Expenditure per Special Education Pupil Served FY 1975	Median Family Income, 1969	
		Mean	Standard Deviation
1	$ 311	$10,791	$1,274
2	593	11,454	1,966
3	814	11,622	2,402
4	1055	11,871	2,989
5	1714	12,331	2,707

Table III-27

Massachusetts Cities and Towns: Median Family Income, FY 1969 Within Quintiles of Number of Children Receiving Special Education as a Percent of Net Average Membership (N.A.M.) FY 1975

Quintile	Number of Children Receiving Special Education as a Percent of Net Average Membership (N.A.M.) FY 1975	Median Family Income, FY 1969	
		Mean	Standard Deviation
1	2.5%	$11,388	$2,415
2	5.3	11,582	2,304
3	6.8	11,852	2,298
4	8.6	12,074	2,858
5	13.8	11,315	1,970

Table III-28

Massachusetts Cities and Towns: Equalized Property Valuation per N.A.M., FY 1974 Within Quintiles of Special Education Instructional Expenditure per Special Education Pupil Served FY 1975

Quintile	Special Education Instructional Expenditure per Special Education Pupil Served FY 1975	Equalized Property Valuation per N.A.M. FY 1974	
		Mean	Standard-Deviation
1	$ 311	$87,487	$207,475
2	593	42,755	33,608
3	814	46,367	34,217
4	1055	49,029	38,672
5	1714	63,899	52,846

Table III-29

Massachusetts Cities and Towns: Equalized Property Valuation per N.A.M., FY 1974 Within Quintiles of Number of Children Receiving Special Education as a Percent of Net Average Membership (N.A.M.) FY 1975

Quintile	Number of Children Receiving Special Education as a Percent of Net Average Membership (N.A.M.), FY 1975	Equalized Property Valuation per N.A.M., FY 1974	
		Mean	Standard Deviation
1	2.5%	$48,710	$ 39,407
2	5.3	49,968	39,587
3	6.8	44,227	25,307
4	8.6	54,760	48,751
5	13.8	81,476	200,368

Table III- 30

Georgia School Districts: Median Family Income, 1970 Within Quintiles of Special Education Aid Payment Relative to Special Education Aid Allotment, FY 1973 (Base=100)

Quintile	Special Education Aid Payment Relative to Special Education Aid Allotment, FY 1973 (Base=100)	Median Family Income, 1970	
		Mean	Standard Deviation
1	63	6622	1556
2	93	7205	1492
3	98	6415	1031
4	104	6201	1418
5	116	6784	1676

Table III-31

Georgia School Districts: Median Family Income 1969 Within Quintiles of Special Education Pupils as a Percent of Average Daily Attendance, FY 1973

Quintile	Special Education Pupils As A Percent Of Average Daily Attendance, FT 1973	Median Family Income, 1969	
		Mean	Standard Deviation
1	2.0	$6,294	$1,111
2	4.1	6,210	1,489
3	6.0	6,697	1,469
4	8.6	7,298	1,410
5	15.1	6,779	1,682

Table III-32

Georgia School Districts: Official Tax Digest FY 1972 per Capita, 1970 Within Quintiles of Special Education Pupils as a Percent Of Average Daily Attendance, FY 1973

Quintile	Special Education Pupils as a Percent of Average Daily Attendance, FY 1973	Official Tax Digest FY 1972 per Capita, 1970	
		Mean	Standard Deviation
1	2.0	$5,108	$1,370
2	4.1	5,710	1,656
3	6.0	5,440	1,683
4	8.6	5,643	1,920
5	15.1	5,550	1,788

Table III-33

Georgia School Districts: Official Tax Digest, FY 1972 per Capita 1970 Within Quintiles of Special Education Aid Payment Relative to Special Education Aid Allotment, FY 1973 (Base=100)

Quintile	Special Education Aid Payment Relative to Special Education Aid Allotment, FY 1973 (Base=100)	Official Tax Digest, FY 1972 per Capita 1970	
		Mean	Standard Deviation
Total	98		
1	63	4720	1388
2	93	4893	1227
3	98	5367	1374
4	104	5802	1971
5	116	6652	1686

Table III-34

Massachusetts Cities and Towns: School Taxes Per Capita FY 1974 as a Percent of Personal Income per Capita, 1969 Within Quintiles of Special Education Instructional Expenditure Per Special Education Pupil Served FY 1975

Quintile	Special Education Instructional Expenditure per Special Education Pupil Served FY 1975	School Taxes per Capita FY 1974 as a Percent of Personal Income per Capita, 1969	
		Mean	Standard Deviation
1	$ 311	6.2%	1.9%
2	593	5.5	1.8
3	814	5.4	2.2
4	1055	6.2	3.7
5	1714	5.9	1.8

Table III-35

Massachusetts Cities and Towns: "True" School Tax Rate, per $1000 Equalized Valuation, FY 1974 Within Quintiles of Number of Children Receiving Special Education as a Percent of Net Average Membership (N.A.M.) FY 1975

Quintile	Number of Children Receiving Special Education as a Percent of Net Average Membership (N.A.M.), FY 1975	"True" School Tax Rate, per $1000 Equalized Valuation, FY 1974	
		Mean	Standard Deviation
1	2.5%	$18.83	$5.01
2	5.3	18.58	4.71
3	6.8	19.59	4.76
4	8.6	18.92	6.11
5	13.8	17.52	5.89

Table III-36

Massachusetts Cities and Towns: "True" Total (School and Non-School) Tax Rate per $1000 Equalized Valuation, FY 1974 Within Quintiles of Number of Children Receiving Special Education as a Percent of Net Average Membership (N.A.M.), FY 1975

Quintile	Number of Children Receiving Special Education as a Percent of Net Average Membership (N.A.M.), FY 1975	"True" Total (School and Non-School) Tax Rate per $1000 Equalized Valuation, FY 1974	
		Mean	Standard Deviation
1	2.5%	$32.57	$10.10
2	5.3	33.77	8.92
3	6.8	34.25	7.92
4	8.6	34.07	12.15
5	13.8	28.84	9.78

Table III-37

Georgia School Districts: School Taxes Per $1000 Personal Income, 1970, Within Quintiles of Special Education Pupils as a Percent Of Average Daily Attendance, FY 1973

Quintile	Special Education Pupils as a Percent of Average Daily Attendance, FY 1973	School Taxes Per $1000 Personal Income, 1970	
		Mean	Standard Deviation
1	2.0	22.82	12.32
2	4.1	26.62	12.48
3	6.0	24.86	13.45
4	8.6	25.40	13.61
5	15.1	24.51	9.99

Table III-38

Georgia School Districts: School Tax per $1000 Official Tax Digest, FY 1972 Within Quintiles Of Special Education Aid Payment Relative to Special Education Aid Allotment, FY 1973 (Base=100)

Quintile	Special Education Aid Payment Relative to Special Education Aid Allotment, FY 1973 (Base=100)	School Tax per $1000 Official Tax Digest, FY 1972	
		Mean	Standard Deviation
Total	98		
1	63	10.03	5.03
2	93	11.65	7.88
3	98	9.46	4.70
4	104	9.53	6.08
5	116	10.04	4.64

Table III-39

Massachusetts Cities and Towns: Number of Black Pupils Receiving Special Education as a Percent of All Children Receiving Special Education, FY 1975 Within Quintiles of Number of Children Receiving Special Education as a Percent of Net Average Membership (NAM), FY 1975

Quintile	Number of Children Receiving Special Education as a Percent of Net Average Membership (NAM), FY 1975	Number of Black Pupils Receiving Special Education as a Percent of All Children Receiving Special Education, FY 1975	
		Mean	Standard Deviation
1	2.5%	2.2%	5.6%
2	5.3	2.7	6.3
3	6.3	0.8	1.4
4	8.6	0.9	1.4
5	13.8	1.3	3.7

Table III-40

Massachusetts Cities and Towns: Number of Black Pupils Receiving Special Education as a Percent of All Children Receiving Special Education FY 1975 Within Quintiles of Special Education Aid Per Net Average Membership (NAM) Paid For FY 1974

Quintile	Special Education Aid Per Net Average Membership (NAM) Paid for FY 1975	Number of Black Pupils Receiving Special Education as a Percent of All Children Receiving Special Education FY 1975	
		Mean	Standard Deviation
1	$ 7.46	2.2	9.5
2	21.86	1.2	3.7
3	30.51	1.1	2.1
4	39.24	0.9	1.9
5	61.26	3.4	7.2

Table III-41

Georgia School Districts: Percent of Population, Negro, 1970 Within Quintiles of Special Education Pupils As A Percent of Average Daily Attendance, FY 1973

Quintiles	Special Education Pupils As A Percent Of Average Daily Attendance, FY 1973	Percent Of Population, Negro, 1970	
		Mean	Standard Deviation
1	2.0%	29.1%	19.7%
2	4.1	31.1	17.6
3	6.0	34.3	17.9
4	8.6	25.7	17.1
5	15.1	27.1	17.3

Table III-42

Georgia School Districts: Percent of Population, Negro, 1970 Within Quintiles of Special Education Aid Payment Relative to Special Education Aid Allotment, FY 1973 (Base=100)

Quintile	Special Education Aid Payment Relative to Special Education Aid Allotment, FY 1973 (Base=100)	Percent of Population, Negro, 1970	
		Mean	Standard Deviation
1	63	25.0%	20.4%
2	93	24.4	17.7
3	98	33.9	14.7
4	104	33.5	18.4
5	116	30.4	17.0

Table III-43

Georgia School Districts: E.M.R. Pupils as a Percent of Total Special Education Enrollment, FY 1973 Within Quintiles of Percent of Population, Negro, 1970

Quintile	Percent of Population, Negro, 1970	E.M.R. Pupils as a Percent of Total Special Education Enrollment, FY 1973	
		Mean	Standard Deviation
1	4.3	55.7	31.3
2	18.5	61.4	30.1
3	30.3	61.6	33.0
4	39.2	65.2	30.0
5	54.9	91.9	17.4

Table III-44

Massachusetts Cities and Towns: Population per Square Mile 1970 Within Quintiles of Special Education Aid per N.A.M. Paid for FY 1974

Quintile	Special Education Aid per N.A.M. Paid for FY 1974	Population per Square Mile 1970 Mean	Population per Square Mile 1970 Standard Deviation
1	$ 7.46	300	1659
2	21.86	344	380
3	30.51	1208	2147
4	39.24	1856	2768
5	61.20	2377	3790

Table III-45

Massachusetts Cities and Towns: Population 1970 Within Quintiles of Special Education Instructional Expenditure per Special Education Pupil Served FY 1975

Quintile	Special Education Instructional Expenditure per Special Education Pupil Served FY 1975	Population 1970	
		Mean	Standard Deviation
1	$ 311	6,569	10,478
2	593	18,161	23,347
3	814	19,011	30,872
4	1055	21,801	24,931
5	1714	17,023	20,836

Table III-46

Georgia School Districts: Population, 1970, Within Quintiles of Special Education Pupils As a Percent of Average Daily Attendance, FY 1973

Quintile	Special Education Pupils As A Percent Of Average Daily Attendance, FY 1973	Population, 1970 Mean	Population, 1970 Standard Deviation
1	2.0%	11,700	7,969
2	4.1	15,560	15,974
3	6.0	18,480	27,942
4	8.6	31,558	40,169
5	15.1	44,891	102,115

Table III-47

Georgia School Districts: Population Per Square Mile, 1970, Within Quintiles of Special Education Pupils As A Percent of Average Daily Attendance, FY 1973

Quintile	Special Education Pupils As A Percent Of Average Daily Attendance, FY 1973	Population Per Square Mile, 1970	
		Mean	Standard Deviation
1	2.0%	157	539
2	4.1	233	667
3	6.0	357	820
4	8.6	568	842
5	15.1	590	1183

Table III-48

Georgia School Districts: Population, 1970
Within Quintiles of Special Education Aid Payment
Relative to Special Education Aid Allotment,
FY 1973 (Base=100)

Quintile	Special Education Aid Payment Relative To Special Education Aid Allotment, FY 1973 (Base=100)	Population, 1970	
		Mean	Standard Deviation
1	63	20,153	29,517
2	93	31,773	62,886
3	98	20,668	35,829
4	104	20,477	36,505
5	116	29,311	80,241

Table III-49

Georgia School Districts: Population per Square Mile, 1970 Within Quintiles of Special Education Aid Payment Relative to Special Education Aid Allotment, FY 1973 (Base=100)

Quintile	Special Education Aid Payment Relative To Special Education Aid Allotment, FY 1973 (Base=100)	Population per Square Mile, 1970	
		Mean	Standard Deviation
1	63	220	527
2	93	379	794
3	98	145	350
4	104	372	719
5	116	784	1363

Table III-50

Georgia School Districts: Population 1970 Relative to Population 1960 (Base=100) Within Quintiles of Special Education Aid Payment Relative to Special Education Aid Allotment, FY 1973 (Base=100)

Quintile	Special Education Aid Payment Relative To Special Education Aid Allotment, FY 1973 (Base=100)	Population 1970 Relative to Population 1960 (Base=100)	
		Mean	Standard Deviation
1	63	115.5	29.1
2	93	113.1	23.6
3	98	102.2	11.3
4	104	103.6	19.8
5	116	106.6	17.3

TECHNICAL APPENDIX

A vital part of this study was based on interviews at the state and local level with school superintendents, school board members, teachers, special education directors, state legislators, state legislative and executive staff, state education agency personnel, and representatives of special education interest groups. All told, well over 200 persons participated in these interviews, some extending for several hours, some for a few minutes.

All participants in our interviews were guaranteed anonymity. Although we would have preferred to conduct our interviews "on the record," we opted in favor of "off the record" interviews for two reasons. First, our interviews were to be conducted at a time when the subject of special education aid had become very politically sensitive, and esepcially so in Massachusetts. Second, and closely related, as we contacted prospective interview respondents, we found that a substantial number were suspicious of our intentions. One factor contributing to this wariness, we found out later, was the feeling of many local officials that we would be "rating" their compliance with state law, a practice followed by some special education advocacy groups. In short, we decided to trade what some might regard as "scientific rigor" for the likelihood of greater respondent openness.

Respondents in our survey were selected purposefully, but not in compliance with any rigid set of sampling rules. At the state level, we made an effort to talk with legislators and their staff; gubernatorial staff; state education agency personnel including the special education director and spokesmen for the chief state school officer; spokesman for non-education agencies in such areas as social welfare and mental health; and representatives of educational interest groups such as the state teachers' association and special education advocacy groups. Additionally, contacts were made with individuals from universities and private consulting firms with established expertise in the field of special education. Funding constraints made it impossible to interview parents of handicapped children in a manner that would assure reasonably representative views.

At the local level, interview respondents were drawn from a carefully selected cross-section of 30 local education agencies. Owing to limited funds, sample school districts were selected in order to maximize the variance in the state of their special education services. Both in Georgia and Massachusetts, all school districts were ranked from high-to-low in their per student amount of special education aid. Taking into account such factors as travel time, social composition, fiscal resources, districts in the final sample were then selected almost wholly from those ranking highest and lowest in aid utilization. Local education agencies, however, were selected because of specifically interesting conditions--population size, reputation for excellence in all areas of education, and record of grantsmanship, the most important factors. We recognize, of course, that a sampling unit selection process of this sort entails certain risks. Given the wide range of communities that were visited and the diversity of views that were uncovered, however, we doubt that our technique has produced any significant distortions of fact. Only two invited school districts--both in Georgia--declined to visit with our interviewers. Respondents within each local education agency were interviewed individually and for time periods ranging from about 15 minutes to several hours. Respondents consisted of superintendents, school board members, special education staff, and regular classroom teachers. All respondents were selected with the assistance of the superintendent as there was little real alternative available. We doubt, however, that this produced any substantial distortions in our fundings since most respondents were very open.

All interviews were conducted with the aide of a prepared interview schedule. The diversity of our respondents and their varying information levels, however, made coding difficult. Copies are available from the Principal Investigator.